

TRADITIONAL MANAGEMENT CONCEPTS IN MODERN TIMES**Aman Preet Kaur**

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Abstract

India occupied a central place in world trade for many centuries even as late as the eighteenth century, and the trade surpluses generated in the country enabled Great Britain to balance her trade deficit with the USA and China. Indian products were prized in the courts of Egypt, Greece and Rome and till the advent of Industrial Revolution, Indian skills and technology in agriculture and industry compared favourably with all competitors in the global context. Indian was able to grow two to three crops a year and also build up a large reservoir of arts and crafts besides developing skills in cotton, silk and woolen textiles, shawls, jewellery, carpets, indigo and saltpeter, apart from becoming a traditional exporter of spices, herbs, condiments and precious stones/diamonds. Indian philosophy blossomed in an age of plenty which afforded both leisure and the pursuit of contemplation as also a knowledge-based society that accorded a high degree of respect and status to scholars and advisors.

Key words: Indian, Ancient strategies, Modern management, Ramayana, Mahabharata, Upanishad

INTRODUCTION

In general, people across the world have been under the impression that the way of governance of Governments and business establishments was developed by Western European countries recently. Although lots of research has been done to bring the ancient Indian governance systems and methods of light, their credentials around the world have not been spread as much as the European methods of governance especially in business environments.

INDIAN BUSINESS HISTORY

India once had a great deal of trade with the ancient world and Indian merchandise used to be carried by the Phoenicians and later by the Arabs across the Persian Gulf to Bahrain/Kuwait in the Dilmun Civilization and the Red Sea, Petra, Akaba and through land routes of Afghanistan, Iran, Turkey, China, Egypt, Greece and Rome. Excavations at Lothal and Rann of Kutch in Gujarat testify to the existence of maritime ports. Extensive Trade links by sea routes also existed with the south-east Asian region comprising Burma, Ceylon, Thailand, Malaysia, Indonesia, the Philippines, Indi-China, Korea, China and Japan and with Gulf including

Babylon, Sumer, Assyria, Ur, the Chaldean and Ionian civilizations.

So for centuries together India had been leading in the global business and trade. Business was flourishing to India as stated further, 'India was not only self sufficient in food-grains but continued to export substantial quantity of wheat till the advent of the First World War, and oil seeds up to the end of the Second World War. It also exported large quantities of cotton yarn, raw cotton, raw jute, tobacco, hides and skins, mica, shellac, manganese and iron-ore, coffee, tea, cashew, coir and rubber.'

'The fall of Constantinople in 1453 and the migration of Greek scholars ushered in the renaissance which led to the voyages of discovery of spices, prized textiles and muslin of India in the fifteenth and sixteenth centuries.'

The scope of the study and research was to identify and show case to the world that there were application oriented ancient strategies that shall withstand the test of time and ever green. We have traced those from the ancient scriptures to the current strategies of business enterprises. This research work would be a new finding to the coming generations who intend to study the applications of ancient principles and strategies to the current period. As per the initial trigger off from the Great Peter F Drucker

that management should be associated with the culture of the soil also is highlighted. We also could refer to Swami Vivekananda who had echoed the same views of Peter F Drucker. The summary of the ancient strategic derivatives are presented below:

Under the ancient strategies:**Ramayana:****Strategy 1**

1. Action as per the words is an important Dharma and people at the helm should not be moving away from that.
2. Use of the right people at the right time to win the war is essential and in the process rules should be such that the common people are protected and benefited.
3. The king should follow the advice and guidelines of the learned (GURU) while performing the duties and fighting against the enemies is also part of the duties of the King.

Strategy 2

1. In the second strategy, we identify that people with different talents and resources should come together and associate themselves to resolve their mutual issues and win.
2. Further the priorities have to be set well so that strategies are successfully implemented
3. Any issues regarding tactics should be resolved at the earliest so that the goal is not lost.

Strategy 3

1. Goal should be clear.
2. The strength of the team should be evaluated to accomplish the goal
3. Needless rest/ procrastination would dilute the mission
4. Tactfully strength should be applied.
5. Communicate exactly the required and with care.
6. Encourage the team members with inputs.
7. Exhibit the performance capabilities as and when required
8. Ensure to expose just the needed strength and grasp the situations
9. Ensure the message creates the required effect in the opposition.

10. Evaluate SWOT (Strength, Weakness, Opportunities, Threat) and convert threats into opportunities.

Strategy 4

1. A leader should be able to understand and accept the others who prefer to associate his team.
2. Leader should consult the other team members and try to present the decision as a consensus one but at the same time should be able to distinguish among the advices the best one suited

Strategy 5

- * Always look up to the ever available source of energy for action and success.

Mahabharata**Strategy 6**

1. Accept and face the reality and respect situations and act accordingly.
2. Execute secret decisions carefully without losing time and do not leave any loose ends.
3. When you have the strength better exhibit and then negotiate.

Strategy 7

1. Always work towards resolving issues by dialogues and consensus.
2. Goals are very important and alternate strategies are to be developed with the strengths in mind.

Strategy 8

1. Leaders at the helm of affairs should be firm in execution of the deliberated, perfected and accepted strategic decisions at the top level decision making body and should not confuse and destroy the whole exercise at the execution point
2. The other meaning of business or war is risk and it can be calculated risk; so a risk shall bring unprecedented losses while a calculated risk may bring loss that was also part of the strategic plan. A sound business shall mean 'calculated risk'.
3. Any required work can be attained by practice and application constantly and continuously. So a team should -always be prepared to face the alien situation and work into the issues and bring to the teams expected and desired results.

- Chairman or the top leader should be able to correct and lead the members of the team and should be available as a source of inspiration and energy whenever, wherever the captains would seem to feel lost and immersed under desperation.

Upanishad Strategy 9

- Knowledge with the total application of faith and conviction alone would bring success and growth to people and organizations.

Conclusion

Above one or several applications in the case analyses presented under the chapter, 'Applications of ancient strategies in modern management' is provided herein below:

- Bajaj Auto limited: The Company was liked by the customers for their value based business and the customer loyalty was at the highest. (Strategy 1-1). 'Rahul Bajaj who said that Bajaj did not require a marketing department in 1982 had to change his statement in 1997 and he said that the products produced by the company had evolved an extremely successful strategy based on cost leadership and product robustness' (Strategy 3-4.) Rajiv Bajaj was willing to take chance. Convinced that the way forward was to offer the customer more than he or she was getting so far, Rajiv Bajaj asked, 'Had the rear view mirror become the windshield?' (Strategy 7-2). 'Almost from the day he joined Bajaj Auto, Rahul Bajaj had dreamt of making his company the world's leading manufacturer of two — wheelers (strategy -9). Rajiv learnt the lesson of differentiation from Jack Trout and this is illustrated well in the product 'Pulsar 200NS' a motorcycle launched with three spark plugs while the competitors had fitted one or two. (Strategy 1-3).
- Infosys had the core competency in leveraging the low cost manpower to create a product / service that had demand in the foreign markets. Those companies in the foreign markets would have to spend much higher sums in developing the same product/ service in-house (Strategy 3-10), (Strategy 2-1, 2). Infosys developed a new business model in the second phase of its journey called "OFFSHORE DEVELOPMENT

CENTRES (OSDC). The actual software development shall be undertaken here and this enabled lots of flexibilities in operations and with low cost and enhanced profitability. In this phase the company was internally focused on building infrastructure and developing its skill base. Various support functions were created to aid operations along with a rigorous in-house training centre (Strategy 8 -3). Infosys is an organization that started with a modest middle class background and had its values as honesty, transparency and highest ethical standards (Strategy 1-1, Strategy 9). According to Narayana Murthy, the success of Infosys was mainly due to its ability to attract, develop and retain the best human resources. Infosys focused on the willingness to learn new things by the recruits. They called this as "LEARNABILITY" (Strategy 2-1). The company had created Proximity Development Centres in the international markets to solve the customer relations matters and these PDC's shall be staffed mainly with local people. The reason being local people will be well aware of the culture prevalent in the vicinity and would be able to build relationships easily. Infosys thus became a truly global company with employing people from all the regions of the globe and still remained as a company for its cherished values (Strategy 4-1, 4-2).

- In 1975, a technical team from the World Bank had inspected a number of textile mills in India and in its report had certified that only Reliance industries Limited (RIL)'s Textile Plant could be described as excellent by developed country standards. RIL also established a design studio for fresh design plans. "such a scene is hardly seen even in the highly advanced textile producing countries like Japan" was the comment received from "The Japan Textile News" in 1977 (Strategy 2 -2 , Strategy 5). As against the prevalent practice of distribution through the wholesale and retail, RIL opted for its own direct retail show rooms. This strategy was innovated by its competitor "Bombay Dyeing". But while they were testing in a small scale RIL created the show rooms across the country. By the year 1980 VIMAL products were available in 20 company owned retail outlets, over 1000 franchisees and over 20000

regular stores. To perfect this strategy, JUL went ahead with a huge advertisement budget. The key jingle "only vimal" "a woman expresses herself in many languages- vimal is one of them" The company also conducted fashion shows across the country and this is also a strategy innovated by another competitor the CALICO MILLS (Strategy 3 — 4, 3-7, 3-10). Dhirubhai said: 'I do not give and have never given attention to anything except Reliance. I have never been a director in any other company. I am not actively involved in any associations or in anything else. My whole thinking-100 per cent of my time from morning till evening-is about how to do better and better at Reliance. Business is my hobby. It is not a burden to me. I enjoy it enormously (Strategy 5 and Strategy 9). Perhaps the most dramatic illustration of Reliance's speed came when its huge Patalganga complex was flooded on the night of 24 July 1989 by flash floods from the nearby a river. Technical experts from DuPont flown in at considerable cost estimated a minimum period of ninety to hundred days before the complex could be operational again. Local newspaper reports, based on the opinion of India's best experts, were even less optimistic, predicting that some of the units would not be operational for at least five months. Reliance had the entire complex fully functional in twenty-one days (Strategy 3-1, 3-2, 3-3,3-4,3-5,3-6 and 3-7).

4. Success would require a lean and efficient organization, capable of minimizing transaction cost per loan, thus being able to survive fairly on thin spreads between the cost of funds and the lending rate. Most important would be a very strong customer orientation, not normally observed in this type of Institution (Strategy 3-10, 9.). The company's greatest achievement of all lay in the enormous contribution it made to Indian Society. It had pioneered the housing finance market and had, in essence, created the opportunity for middle class Indians to own a home. At the same time, it had demonstrated that a wholesome business, meeting an important social need, could be extremely profitable (Strategy 1-2). Above all, we value integrity, honesty of pug pose and commitment

to the interests of the organizations. (Strategy - 9)

- * To HDFC, business is not merely earning profits, but a way through which we provide essential and valuable service to society.
- * "Customer service" is the key activity in our operations. This is reflected in our promptness and caring attitude towards our customers. A positive and personalised approach to our customers needs is what we have always strived to attain (Strategy 1-1 and 1-2).

5. Focus' is what makes Piramal recount the story many times. 'If you keep your eyes on the objective, success will follow (Strategy 8). Piramal appointed Mr. Chandrakant M Hattangadi as the company's new managing director. He had a very vast experience in the Industry and also had been the president of the industry association (OPPI)-the industry association supported by MNC's and large Indian Pharmaceutical companies during the critical period when the industry was negotiating with the Government for a liberal policy (Strategy 1-2 , 2-1 and 2-2). To form strategic alliances with the best multinational pharmaceutical groups so as to have access to new molecules in the post — GATT/IPR era (Strategy 2-1, 7-2). The Piramal team was well prepared and also the speed was essential in completing the contracts. As usual there was severe competition and Piramal could succeed. BM and Roche were looked upon in a similar ways and the takeover of BM would provide access to all BM's Germany's research products for launch in India. These would be in the areas of pharmaceuticals products, diagnostics (instruments, kits and chemicals) as well as biotechnology. The merger would Rs.1000 Mn to the top line and it was believed that the bottom line also would improve from the next financial year. The increase in Nicholas would be a minimal of Rs.17 Mn. The 300 strong BM field force when added to Nicholas' 450 would make the combined field force to 750 one of the largest in the country and this figure would rise to more than 1200 if one added Roche products as well. (Strategy 3-3, 3-8 and 4-1). The business strategy part to capture potential business was to consider the following:

- * Become the most admired health care company in India with world-class management capability, with sales in excess of Rs.10 bn. & profits above Rs.1.5 bn.
 - * Develop a powerful new product pipeline.
 - * Build a state-of-the-art medical marketing programme in India with a strong market share in the selected categories biotech, nutrition, diagnostics, gastro-intestinal CVS/diabetes, infectious diseases, OTC and select specialty niches.
 - * Build three independent, profitable, stand-alone businesses in pharma, bulk drug and flaconage (glass).
 - * Boost shareholder value by improving quality earnings.
 - * Fulfill trusteeship obligations to customers : employees, shareholders and the society (Strategy 1-1, 2-1, 2-3, 5-2, 5-3 and 7-2).
NICHOLAS PIRAMAL'S VALUE STATEMENT: In our pursuit of excellence and growth, we shall act as Trustees for our customers, Employees, shareholders, society by:
 - * Continually enhancing value for our customers with quality products and services to meet their changing needs.
 - * Empowering our employees, encouraging innovation and entrepreneurship in an environment which makes work fun.
 - * Steadily building wealth for our shareholders.
 - * Contributing to the well being of society and the environment.
 - * We shall make innovation and change a way of life at all times and conduct ourselves with honesty, fairness and trust in God (Strategy 1-1,2-2,3-3,4-2,5,7- 2,9).
6. Based on the (spat's turnaround in Trinidad, Mexican Government invited Ispat to join two other steel companies in bidding for SICARTSA. LM sent a team of twenty managers representing all line and staff functions chosen from Ispat's Trinidad and Indonesian plants for conducting the due diligence with a view to developing the turnaround plan of the plant. After considering all the factors like the value of the assets and a young team of highly qualified engineers, the team recommended for the bidding of the plant and developed a turnaround plan. Ispat contingent environment liabilities (Strategy: 2-1, 2-2, 3-4, 3-8). Ispat's bid outlined the five year plan of turnaround and also committed for an investment of \$350 mn to complete the plant's abandoned plate mill, with a \$50 mn penalty if the company failed to follow through on its promised capital expenditure. The proposal also mentioned about the laying of 100 employees of the 1050 workers. Mexican Government was highly impressed by the Ispat's plan and selected Ispat. Ten members of the due diligence team remained in Mexico to run the various departments (Strategy 2-1,2-2,2-3). In Mexico we did what we do with every business ...We sat down with the management of the acquired company to discuss various options for improvement and we developed the business plan. We sat down with each of the departments to understand their problems and viewpoints and gave inputs based on international experience and our due diligence. Together we set very aggressive targets because we don't benchmark companies based on local standards, but on international standards. If the management of the acquired company is willing to commit to these targets, they stay. If they have any problem in following our business plan and vision, they go. The IMEXSA managers stayed (Strategy: 4-1,4-2, 5, 6-1,6-2, 6-3, 7-1 ,7-2) This was an Ispat corporate initiative designed by LM to keep stirring the whole organization. A few representatives from each operating and staff function (twelve in total) at each Ispat Plant would meet twice a year. These KIP meetings lasted for two to four days and rotated among the plants in the Ispat network. Prior to the meeting, department heads would send their suggestions for discussion topics to Ispat International London, where the agenda was set and then distributed to each participant in advance. During the meeting, the participants would review their performance against targets including major accomplishments and disappointments, discuss common technical problems, update each other on development in their plant and commit to future targets. The participants also communicated between the meetings (Strategy 4-1,4-2,7-1,7-2).

7. Employees for the first time, introduced concrete proposals to improve customer service in their charter of demands to LIC. The charter of the (AILEF) All India LIC Employees Federation has mentioned clearly about the additional working hours and if required shift based working and also special services to certain categories of policyholders (Strategy:6-1, 7-1).
8. At ACC he had launched a programme called Institutionalizing Excellence (IEEx) which is focused on improvement of the company's performance in every function, from operations and finance to human resources (HR) and marketing. The programme is part of the company now and the entire organization is around that programme (Strategy: 1-2, 3-5). Learning comes from doing. You can't just ideate and make suggestions. You have to take everyone along in the implementation. You need to form cross functional teams and take feedback at every stage. It's a long journey and we're just beginning to see results (Strategy: 1-Z 9).
9. Our strategy can be summarized in three words — expand, expand, expand," says Sodhi. "We have set a turnover target of Rs. 30,000 crore for 2018, which is very achievable. But first we need to invest in increasing milk procurement, processing capacities and distribution (Strategy: 3-10, 5 , 9). Amul has come full circle. From selling village-procured milk to the cities, it is now selling value added dairy products back to the villages. It's a symbol of how rural India has changed and developed. Bharat, it seems, is getting a taste of India (Strategy: 5, 9). Member unions are supposed to consult with GCMMF when they expand processing capacity. The Mehsana Union did not do so. Despite the occasional clashes and war-of-words at the board level, GCMMF remains a fairly professional organization down the line. More importantly, politics hasn't been allowed to affect GCMMF's business decisions. For example, the Gujarat government has never interfered with the federation's procurement pricing, which has been the undoing of co-operatives elsewhere. "That's Gujarati culture," says Sodhi. "They may fight politically, but when it comes to a business decision, they will always go by merit (Strategy: 8-1, 8-4, 4-2, 7-1).
10. Perhaps, it's the sharp focus on such linkages among the four prime verticals of IRCTC - catering, e-commerce, tourism and packaged drinking water(Rail Neer) - that enabled the organization to turn around from sheer rout in 2010, wherein IRCTC was crippled as the profitable licensing catering arm was taken away and it was left reeling with the loss-making departmental catering. At that juncture, speculation was rife that Tandon would abandon ship and set sail for the parent Railways. Instead, Tandon gathered his leaders to take on the challenge. He energized the non-catering lines of business and unleashed a slew of measures to fast-track monetization. In 2010, the e-ticketing business of IRCTC was clocking Rs.120 crore, whereas tourism stood at Rs.67 crore. "So the shock of losing catering was absorbed by internet ticketing and tourism," says MP Mall, Director — Finance, IRCTC. Tourism grew to Rs.188 crore the next year and catering took on a whole new definition. (Strategy: 7-1, 7-2).
- Thus the ancient strategies do have the applications in the modern management situations and these ancient strategies should be well understood and studied so that they are perennial source of application knowledge to business organisations.

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