

## SUCCESS IN EFFECTIVE MANAGEMENT OF AN ORGANISATION



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### INTRODUCTION

Management is the art of making effective use of resources to achieve your goals. It concerns planning, coordinating and implementing all aspects of an organisation's operation in a manner which fulfils the organisation's aims. Management practices must evolve and change to continue to meet the needs of an organisation. Over the years, this has given rise to a wide variety of management techniques, like scientific management, management by objectives, total quality management, risk management, and even crisis management.

The essential ingredient for success is for every firm to know its own strategy – the path that principals and employees wish to travel – so that the firm meets the needs of its owners. The direction comes from the strategic plan, which describes the way the owners want to see the firm develop. Good management will keep the firm commercially viable and professionally competent. Only in this way can the business satisfy the needs of the employees, clients and stakeholders.

## 80/20 RULE APPLIED TO EFFECTIVE MANAGEMENT

In 1906 Vilfredo Pareto the Italian economist, through his research made the famous observation that twenty percent of the population owned eighty percent of the property in Italy. This rule is often referred to as the 80/20 rule. The Pareto Principle says; that in most cases, 80% of production comes from 20% of producers or 80% of the sales come from 20% of the sales force or that 20% of customers are responsible for 80% of profits. When you start to dig into your business, applying the principle; it can have a profound effect on how you should use your resources and your profitability.

Quite simply put, the 80/20 rule states that in any pursuit a few things (20%) really matter while everything else (80%) is trivial, so the most efficient way forward is to focus on the 20% that is absolutely critical to success and spend less or no time on the rest. Businesses all over the world use the 80/20 rule to gain incredible efficiency.

This rule can also be applied for gaining practice and experience in new subjects. In our regular day to day work, 80% of the subjects are well known to us, but there are a 20 % of subjects, we don't know either due to lack of time or the lack of effort to understand the subject. What we fail to understand is that, 20 % of the left out subjects are the ones that will give us more opportunities for practice and thereby increase our level of knowledge and skills. Hence we need to update our knowledge on a daily basis and identify new areas of practice. This will not only enhance our knowledge but will also give us opportunities to work on those areas in future. It will have a substantial effect on the productivity and profitability of the firm and will be a great value addition to the organisation.

If you want to grow your business, you need to identify the 20% of areas of practice you have not considered till date, but which will most likely give you the profit and satisfaction that the balance 80% of the practice gives you now.

The value of the Pareto Principle for a person is that it reminds you to focus on the 20 percent that matters. Of the things you do during your day, only 20 percent really matter. Those 20 percent produce 80 percent of your results. Identify and focus on those things. When the fire drills of the day begin to sap your time, remind yourself of the 20 percent you need to focus on. If something in the schedule has to slip, if something isn't going to get done, make sure it's not part of that 20 percent.

Pareto's Principle, the 80/20 Rule, should serve as a daily reminder to focus 80 percent of your time and energy on the 20 percent of you work that is really important. Don't just "work smart", work smart on the right things.

## **IMPROVE THE PRODUCTIVITY OF THE ORGANISATION**

Sometimes in the world of fast paced deadline oriented practice, the team is not effective as it could be. This could be due to various reasons. Although all are professionals, possessing their own special skills, still there are certain factors that need to be attended to in an organisation to improve its productivity.

### **1. Library**

First and foremost, there should be a well equipped library in the office. It should not only contain the books on various topics of practice, but should also be regularly updated. This will help the members of the organisation to be updated on the latest issues. The library should also contain the books that are not regularly used in the practice area of the organisation. This will help in updation of knowledge and also enhancing the knowledge and skills in various areas of practice. Members of the organisation should also be encouraged to use the library to the maximum extent.

### **2. Office Manual**

Every organisation should have its office manual containing the policies of the organisation. It should contain the procedure for maintaining client confidentiality and complying with ethics rules. All the members of the organisation should be given a copy of the office manual. They should read it and understand the policies. Feedback can be asked from the members for improvement of the existing policies.

### **3. Attending conferences**

Members should be encouraged to participate in conferences and meetings and other professional association activities. This will help them in staying up-to-date with the law and latest technology.

### **4. Regular office training**

Training is a collaborative learning partnership that creates the best possible results and solutions. Regular office training will empower employees to increase their personal effectiveness while striving to exceed set organizational goals. The collective brilliance, talents and expertise of members can be used to turn possibilities into results through accountability and support.

### **5. Regular assessment of performance**

Assessment of members' performance should be done on a regular basis. Constructive feedback should be provided in areas where they can improve. Evaluations should be held regularly and that expectations are clear and fair.

## **6. Treatment of members of the organisation**

Everyone should be treated as valued professionals and should get to know them. Even small gestures, such as asking how their families are doing, taking them to lunch once in a while or attending a professional conference together, can make a difference in everyone's comfort level and ability to communicate openly and professionally.

Positive feedback and praise for projects should be given whenever possible, but at the same time everyone should be held accountable for errors. Member should be given an opportunity to learn from their mistakes. Assign work to members whose skills are best suited to the tasks.

## **7. Recognition of good work**

Talented members should be rewarded with recognition and thanks, as well as appropriate salaries and financial incentives when possible. This will help in retaining talented persons and they will stay motivated to maintain high standards and provide an excellent work product.

## **STRESS MANAGEMENT IN AN ORGANISATION**

Stress has become such an inseparable part of our lives that most people often fail to realize that they have been living under stress. At one point or the other everybody suffers from stress. Relationship demands, physical as well as mental health problems, pressure at workplaces, traffic snarls, meeting deadlines – all of these conditions and situations are convincing causes of stress. People have their own methods of stress management. In some people, stress-induced inimical feelings and distress tend to persist and intensify. Learning to understand and master stress management techniques can help prevent the adverse effects of this urban debility.

Stress can be defined as a form of tension or strain in the body or the mind for which there is no release or outlet.

### **Job Stress**

According to a report, in India, nearly three fourth of the employees believe that workers have more on-the-job stress than a generation ago. If job stress affects the employee personally and professionally, it could affect the employer financially to a great extent. The employer's loss could be due to the following factors:

1. Accidents
2. Absenteeism
3. Employee turnover
4. Diminished productivity
5. Direct medical, legal, and insurance costs
6. Worker's compensation awards, etc.

The factors that cause stress at work can be due to the following factors:

1. The demands of the job
2. Meeting deadlines which could be statutory or self-created
3. The lack of support from colleagues and superiors
4. Their relationships with colleagues
5. Working long hours
6. Boring, mundane and repetitive work
7. Accidents at workplace
8. Uncomfortable workplace
9. Lack of training
10. Whether they understand their roles and responsibilities
11. Management's attitude towards the welfare of the workforce
12. Juggling between professional and personal or social commitments
13. Overburdened with work
14. Not happy with the salary/perks
15. Not happy with the job/boss
16. Bullying
17. Lack of feedback on performance
18. Value and contribution
19. Technological change
20. Lack of clarity of roles and responsibilities

### **Know your limits**

People under stress often find it difficult to differentiate between their 'sphere of command' and their 'sphere of apprehension'. In a car, for example, our 'sphere of command' is our ability to manoeuvre our car skillfully on a busy road; our 'sphere of apprehension', on the other hand, might include the worries we might feel if stuck in a

traffic jam. We have no command, however, over the latter; the only thing that we can alter is our response to it.

### **Leading an aimless life**

If you don't know what you want from life, you're more likely to follow those directions that you feel are wrong. To ascertain what really matters to you, write down on a piece of paper all the important ingredients in your life (work, relationships, children, hobbies, dreams, etc.), and then rank them in order from the most to the least important.

Once you have properly assessed your values, you will find it much easier to prioritize when conflict arises.

### **Stop comparing**

One of the most stressful habits of modern life is our tendency constantly to compare ourselves to others. But you must remember that even though others may look happier, richer or more fulfilled, you will never know what really happens behind closed doors. Trying to compete, or letting others make you feel inferior, stops you concentrating on your own unique talents and goals.

### **Know when to say 'NO'**

The most difficult job in any personal or professional relationship is to say 'no' to somebody you. However, if you don't learn to refuse, at least some of the time, you run the risk of becoming overloaded and enraged. It's better to spend some time to consider which requests you are happy to fulfill and which you are not. If you clearly draw the line and show your organisation as to what you can fulfill and what not, it helps you avoid getting stressed.

### **Communicate**

Good communication is the key to stress-free relationships. Letting others know when you are under pressure, rather than expecting them to guess, can help the whole organization plan ahead to lighten the load.

### **Blame Game**

Blame is one of the most baneful habits. Blaming someone for your mistake creates lot of stress in you. It's natural to argue - and it can be useful to clear the air and update how we feel - but it is essential to learn to forgive. Otherwise, the pain from one day transfers to the next.

If you find it hard to stop blaming your colleague, why not try and reframe the dispute and ask yourself, 'What part of the argument is my fault?' Ultimately, we have to take responsibility for our own feelings.

### **Learn to accept the changes**

When new colleagues come and learn to handle things independently, learn to accept the changes. Give them the freedom. Do not try to take refuge in your position and cling to all that is familiar. Try to see change at the organization as an opportunity rather than a threat.

### **Can stress be eliminated from your life?**

One of the deadliest myths about stress is that it cannot be prevented or eliminated. There are many stresses that can be changed, eliminated, or minimized. Different people deal differently with situations they face either at the work or within the home environment or in the social environment. Our personality type, our childhood, our attitude and degree of physical being are some of the factors that will determine how effectively we combat stress.

Here are some things you can do to reduce your level of stress:

- Become aware of your own reactions to stress.
- Reinforce positive self-statements.
- Focus on your good qualities, strengths and accomplishments.
- Avoid unnecessary competition.
- Develop assertive behaviors.
- Recognize and accept your limits. Remember that everyone is unique and different.
- Cultivate hobbies that you find interesting. Relax and have fun.
- Exercise regularly.
- Eat a balanced diet daily.
- Talk with friends or someone you can trust about your worries/problems.
- Learn to use your time wisely:
  - Evaluate how you are budgeting your time.
  - Plan ahead and avoid idling away the time.
  - Make a weekly schedule and try to follow it.
- Set realistic goals.
- Set priorities.
- When studying for an exam, study for short periods and gradually increase the time you spend studying. Take frequent short breaks.
- Practice relaxation techniques. For example, whenever you feel tense, slowly breathe in and out for several minutes.

At the workplace, the management and employees who deal with stressful situations can do a lot to reduce the effects of stress.

1. Supervisors can reduce stress by keeping people involved in and informed about decisions that affect them.
2. Recognize the warning signs of stress, and deal with these immediately. People often don't recognize the signs of stress in themselves until others point it out. Don't be offended when others try talking to you. They're trying to help.
3. If you feel overwhelmed by stress, then talk to someone. Talk to supervisors and try to resolve the problem. They may be able to help by changing procedures or work duties, rearranging schedules, or arranging time off.
4. If you don't feel comfortable talking to your supervisors, then talk confidentially to the Human Resource Department of your company. They may be able to suggest solutions.
5. Anger and irritability is a common first response to stress. Be constructive, and not destructive, in how you handle stress. Deal with the issues to find a solution. Don't complain to people who cannot resolve the problem.

Reduce the physical effects of stress. Take breaks during long sessions at the computer. Make sure your office is ergonomically designed. Try slow deep breathing to slow your heart rate. Eat nutritionally, get lots of rest, and exercise regularly.

## **TIME MANAGEMENT**

Every individual on earth has the same amount of time - 60 seconds in a minute; 60 minutes in an hour; 1,440 minutes in a day; and 525,600 minutes in a year. While a vast majority of people confesses faltering to come to grips with it, extremely few can claim to have made the most of it. How is it that they have got it all done? It's because they have managed a way to figure out how to manage their time effectively.

Managing your time and using it wisely is a journey, and not something that can be easily mastered overnight. Implementing a plan will help, but it is not going to be a sure cure. Time management requires a significant amount of self-discipline. It means changing those habits or activities that cause waste of time. It is the willingness to adopt habits and methods to make maximum use of time.

Dr. Alec Mackenzie, an internationally renowned authority on time management, in his book "The Time Trap" has contended that when it comes to time, one can only manage oneself in relation to it. One cannot control time as one can control other resources - one can only control how one uses it. In the world in which we live, time cannot be replaced

or re-created. It is therefore not for us to choose whether we spend or save time but to choose only how we spend it.

We generally lose time because of the following:

1. Poor Planning
2. Crisis Management
3. Procrastination
4. Interruptions
5. Not Delegating work
6. Unnecessary Meetings:
7. Poor Physical Setup:
8. Poor Networking:
9. Wrong Attitude:
10. Negative People:

To obtain the maximum results in the minimum possible time, Since each of us has the same amount of time, but never enough time, we need to:

1. **Recognize the importance of our time.** As your time goes, so goes your life. Every action, every thought takes time. If you place a low value on your time, you place a low value on your life.
2. **Set goals and establish priorities.** If we haven't made choices, we tend to do the easy things first, and the easiest is not always the most important. That's why setting goals and carefully establishing priorities are crucial steps in achieving success.
3. **Identify and eliminate personal time wasters.** To actually accomplish this, complete and analyze a time log. Make a commitment to take control of your own human nature.
4. **Taking control with self management.** The following are time solutions for this time challenge:
  - a. **Control environmental time wasters,** such as the telephone, drop-in visitors, meetings or other interruptions.
  - b. **Practice self management.** To manage ourselves, we need to:
    - i. Develop goals
    - ii. Establish priorities
    - iii. Conquer human nature
5. **Prioritize your tasks.** Once you know what you want to get done, you can determine which actions you must carry out to reach your goals. Then, number them in order of priority.
6. **Identify your number one priority and get it done first.** Resist the temptation to get small, easy, unimportant things done first so you can cross them off your list.

If you work on less important tasks, you will often find you have reached the end of the day without having even started on your most important priority. The result will be frustration and ineffectiveness. There is a saying in this regard - "Efficient is doing the job well. Effective is doing the right job well."

## **IMPORTANCE OF TIME MANAGEMENT TO A CHARTERED ACCOUNTANT**

Time management is supposed to be an activity which every one of us learn while preparing for the CA exams as out of compulsion we have to learn this technique to get through the exams with flying colors. Hence once a student clears the final examination he is already supposed to be good in time management technique.

But the fact is that the same time management which we apply at the time of exams for our studies, we often don't apply the same in our work after becoming a member. For example many times we are late in submitting the Income Tax returns of our clients in time, this may be due to improper time management and because of this our client suffers by paying fine or penalty. Hence we should also use the time management technique in our work also after becoming a CA to complete the work at its best and gain perfection in it.

Time consciousness & management are the good habits, which once cultivated will automatically continue. We are the trendsetters of the Chartered Accountancy Profession i.e. our future members will walk on the same path which will be constructed by us. Chartered Accountants are the torchbearers, the trendsetters of this profession. Thus being the trendsetters and future leaders it is very important that we as the members must realize the importance of time.

Chartered accountancy Profession holds a high Public-Esteem. By using the science of accountancy and under the spell of its art, a dynamic pattern that assists the business in planning its future is woven by the Chartered Accountant out of the inert Mass of Silent Figures.

Time management is a necessity for a successful Chartered Accountant. He has to allocate the available time between his work & his personal life. He must divide his time into the following areas -

- Planning his work
- Delegating work
- Listening to subordinates
- Discussing with the Seniors
- Outside visits to client's place, IT department etc.

- Attending seminars and conferences
- Reading Business journals
- Monitoring staff
- Time for family
- Social calls
- Entertainment

## **POWER OF LATERAL THINKING IN AN ORGANISATION**

The human brain is always thinking. Sane Thinking can be broadly categorized into logical thinking and lateral thinking. Lateral Thinking or Innovative Thinking can help us devise creative and imaginative solutions to problems and help us spot opportunities that we might otherwise miss. Such thinking has been variously described as lateral thinking, creative thinking, out of box thinking etc. The terms are not synonymous but the common purpose is a new idea.

The term "out-of-the-box thinking" came from solutions to the so-called "nine dot problem" -- where there are three rows of three dots and the problem is to connect all the dots with just four lines. The solution lies in drawing a line that goes outside the imaginary "box" formed by those nine dots. "Thinking out of the box" has come to mean thinking of a solution that is somehow outside of what you already know and do, coming up with something wholly new.

Thinking out of the box requires an increase in imagination. We need to question ourselves why things are the way they are. One should not be bogged down by rules and instead ask what the actual problem is. Thinking "that's the way things are" provides the biggest hindrance to innovation. We tend to think along patterns based on our experience and knowledge, and these patterns prove to be a barrier to us.

This freedom and encouragement of Lateral thinking in any organization leads to phenomenal results and achieves growth both for the organization and its employees.

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### **About the Author**

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*Mr. Rajkumar S Adukia is an eminent business consultant, academician, writer, and speaker. A senior partner of Adukia & Associates he has authored more than 34 books on a wide range of subjects. His books on IFRS namely, "Encyclopedia on IFRS (3000 pages) and The Handbook on IFRS (1000 pages) has served number of professionals who are on the lookout for a practical guidance on IFRS. The book on "Professional Opportunities for Chartered Accountants" is a handy tool and ready referencer to all Chartered Accountants.*

*In addition to being a Chartered Accountant, Company Secretary, Cost Accountant, MBA, Dip IFR (UK), Mr. Adukia also holds a Degree in Law and Diploma in Labor Laws. He has been involved in the activities of the Institute of Chartered Accountants of India (ICAI) since 1984 as a convenor of Kalbadevi CPE study circle. He was the Chairman of the Western Region of Institute of Chartered Accountants of India in 1997 and has been actively involved in various committees of ICAI. He became a member of the Central Council in 1998 and ever since he has worked tirelessly towards knowledge sharing, professional development and enhancing professional opportunities for members. He is a regular contributor to the various committees of the ICAI. He is currently the Chairman of Committee for Members in Industry and Internal Audit Standard Board of ICAI.*

*Mr. Adukia is a rank holder from Bombay University. He did his graduation from Sydenham College of Commerce & Economics. He received a Gold Medal for highest marks in Accountancy & Auditing in the Examination. He passed the Chartered Accountancy with 1st Rank in Inter CA & 6th Rank in Final CA, and 3rd Rank in Final Cost Accountancy Course in 1983. He started his practice as a Chartered Accountant on 1st July 1983, in the three decades following which he left no stone unturned, be it academic expertise or professional development. His level of knowledge, source of information, professional expertise spread across a wide range of subjects has made him a strong and sought after professional in every form of professional assignment.*

*He has been coordinating with various professional institutions, associations' universities, University Grants Commission and other educational institutions. Besides he has actively participated with accountability and standards-setting organizations in India and at the international level. He was a member of J.J. Irani committee which drafted Companies Bill 2008. He is also member of Secretarial Standards Board of ICSI. He represented ASSOCHAM as member of Cost Accounting Standards Board of ICWAI. He was a member of working group of Competition Commission of India, National Housing Bank, NABARD, RBI, CBI etc.*

*He has served on the Board of Directors in the capacity of independent director at BOI Asset management Co. Ltd, Bharat Sanchar Nigam Limited and SBI Mutual Funds Management Pot Ltd. He was also a member of the London Fraud Investigation Team.*

*Mr. Rajkumar Adukia specializes in IFRS, Enterprise Risk Management, Internal Audit, Business Advisory and Planning, Commercial Law Compliance, XBRL, Labor Laws, Real Estate, Foreign Exchange Management, Insurance, Project Work, Carbon Credit, Taxation and Trusts. His clientele include large corporations, owner-managed companies, small manufacturers, service businesses, property management and construction, exporters and importers, and professionals. He has undertaken specific assignments on fraud investigation and reporting in the corporate sector and has developed background material on the same.*

*Based on his rich experience, he has written numerous articles on critical aspects of finance-accounting, auditing, taxation, valuation, public finance. His authoritative articles appear regularly in financial papers like Business India, Financial Express, Economic Times and other professional / business magazines. He has authored several accounting and auditing manuals. He has authored books on vast range of topics including IFRS, Internal Audit, Bank Audit, Green Audit, SEZ, CARO, PMLA, Antidumping, Income Tax Search, Survey and Seizure, Real Estate etc. His books are known for their practicality and for their proactive approaches to meeting practice needs.*

*Mr. Rajkumar is a frequent speaker on trade and finance at seminars and conferences organized by the Institute of Chartered Accountants of India, various Chambers of Commerce, Income Tax Offices and other Professional Associations. He has also lectured at the S.P. Jain Institute of Management, Intensive Coaching Classes for Inter & Final CA students and Direct Taxes Regional Training Institute of CBDT. He also develops and delivers short courses, seminars and workshops on changes and opportunities in trade and finance. He has extensive experience as a speaker, moderator and panelist at workshops and conferences held for both students and professionals both nationally and internationally.. Mr. Adukia has delivered lectures abroad at forums of International Federation of Accountants and has travelled across countries for professional work.*

**Professional Association:** *Mr. Rajkumar S Adukia with his well chartered approach towards professional assignments has explored every possible opportunity in the fields of business and profession. Interested professionals are welcome to share their thoughts in this regard.*