

the Chinese people, especially in the area of strategic management, thinking and practices. It is significant that, while the Chinese have turned to the West for help with training and consulting, they have also begun to research their own classics to see how they can be applied to management.

Of these masterworks, *Art of War* has emerged as a clear favourite (the others include *Romance of the Three Kingdoms*,

the works of Confucius and those of Lao Tze). Many publications in China, as well as in Hong Kong, Taiwan, Japan and South Korea, are relating this classic to strategic thinking and practice. It has become a well-known text among corporate strategists in these countries.

If one subscribes to the belief that the 21st century will be dominated by the Asia-Pacific region, it is important to note that

key players such as Japan, South Korea, Taiwan, Hong Kong and Singapore, along with overseas Chinese peoples in countries such as Malaysia, Indonesia, Thailand and the Philippines, have many cultural similarities that can be traced to their roots in China. Together with China, they form an economic force that few western countries can ignore. It is essential that practitioners and researchers in the West understand





oriental philosophy and thinking. *Art of War* can provide them with a useful start.

I intend to highlight some of the salient concepts of Sun Tzu's works that could be applied to the management of people in a competitive environment.

### Confusionism

Sun Tzu said: "If the army is confused and suspicious, the neighbouring states will surely create trouble. This is akin to the saying: "A confused army provides victory for the enemy."

Several lessons can be learnt from this. Confusion generates misunderstanding, and causes members of the same organisation to suspect one another. The organisation then becomes vulnerable to external exploitation. External parties can use the confusion and suspicion to set one group against another.

Confusion and suspicion also serve to erode competitiveness, and they make it harder to rally against external threats. Competition can be won or lost by default. In other words, one need not be strong to win. A party that is in total disarray will self-destruct. Thus, winning or losing is gauged not in absolute terms, but is determined by the relative performances of the competing parties.

How does one go about building unity within an organisation? There are four key factors that affect unity. The first is an enlightened and motivated leadership. The importance of the leader was well stated by Sun Tzu. "An army may suffer from flight, insubordination, collapse, ruin, disorganisation and rout. These six calamities are not attributed to natural causes. They are attributed to the faults of the general."

He sounded the following warning about the relationship between a supreme commander and a general at the battleground: "When ignorant that the army should not advance, to order an advance; when ignorant that the army should not retreat, to insist on a retreat. This is inter-

**The general must focus on the heart and not the mind when managing troops. He cannot rely on material benefits to motivate them. He must appeal to their national pride and loyalty**

ference with military command. When ignorant of the internal affairs of the military, to participate and interfere with its administration. This causes officers and men to be perplexed. When ignorant of matters relating to the exercise of military authority, to interfere in the execution of responsibilities and command. This creates doubts in the minds of officers and men."

In the same way, a chief executive and the boardroom directors should not interfere too much with the day-to-day operations of the company unless they have the necessary expertise. Unnecessary interference causes confusion and affects the smooth operation of the company.

The second factor that could affect unity is acceptable values and achievable goals. A company is driven by values, culture and goals that must be acceptable to its employees. When there is non-convergence of values and culture, there is likely to be conflict, leading to poor performance. Similarly, when goals are set too high and become unachievable, they frustrate and demoralise the rank and file.

Sun Tzu's words: "Engage only when it is in the interest of the state; cease when it is to its detriment. Do not move unless there are definite advantages to be gained."

The third factor that builds unity is effective communication and feedback. In war, this is crucial. Any miscommunication or poor feedback can cause the loss of many lives – even the loss of the whole war. In business, it is also important to ensure that corporate policies, administrative procedures and goals are clearly communicated and understood. Poor communication or, even worse, misleading messages can create misunderstanding and sow dissent in the company.

The fourth factor that promotes unity is sacrificial teamwork – going the extra mile. In the case of the army, this can involve risking one's life for team members. This is surely something that any organisation should learn. When a colleague unselfishly goes to the assistance of another, it engenders a spirit of comradeship. This can be harnessed to propel the company to greater achievements. Sacrificial teamwork, as in the army, bonds members closer together so that the value of the team is greater than that of its individual parts.

### Cardiac attack

Underlying the use of military concepts and strategies is an important fundamental principle: the need to focus on the heart rather than the mind when managing troops. This is because in war, the general cannot rely on material benefits to motivate his troops. Instead, he has to appeal to their national pride and loyalty. He appeals to their emotions and feelings, and uses the cause to justify aggression.

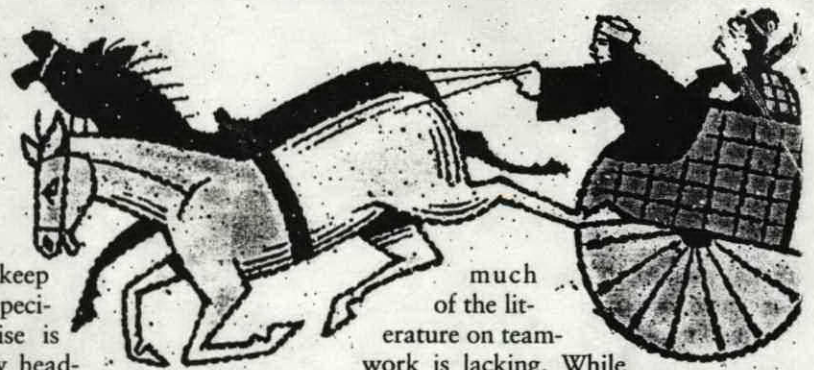
For this reason, the general joins his troops and, if necessary, drinks from the same coffee mug and eats from the same mess tin. This wins their hearts, which is very important for building up comradeship and team spirit. No shrewd general would think of motivating soldiers in combat with extra pay or bonuses.

While everyone can see the need to focus on the heart when managing an army at

## THE HEART AND MIND OF MANAGEMENT

The heart (feelings and emotions)	The mind (logic and reason)
Social orientation	Task orientation
Personal and people-orientated	Impersonal and systems-driven
Takes a long-term perspective	Breeds short-term mentality
Builds loyalty	Develops self-interest and individualism
Contributions assessed over one's lifetime	Worth depends on economic value
Reliance on psychic rewards	Focus on tangible benefits
Expertise not vulnerable to exploitation	Expertise can be bought and sold
Management is more an art	Management is more a science





war, it is harder to translate that into managing businesses. Many western companies develop policies to appeal to the mind rather than the heart. The fundamental differences between these two approaches is shown in the table on the previous page.

Managing the heart is more of an art than a science. For example, there is a need to take a long-term perspective and view the employee's contributions over a lifetime. To appeal to the heart, there is a need for strong social interactions, and the company has to adopt a more personal approach. When the heart is won over, employees are likely to be loyal and less likely to be lured away by competitors.

In other words, staff will be satisfied with "psychic" rewards: those not based on money and giving intangible returns. The heart approach facilitates the cultivation of group values which, in turn, encourages teamwork.

Japanese and many other East Asian companies tend to focus on the hearts of their employees. In contrast, western companies concentrate on the minds. They do this by offering higher salaries and perks to

attract and keep people. If specialist expertise is needed, they head-hunt it, right up to hiring a chief executive.

For example, IBM recruited a chief executive from outside the company in 1993, as no senior executive within it was deemed capable of doing the job. Despite the elaborate headhunting exercise, the computer industry did not afford the new leader much respect and he was not expected to turn the organisation's fortunes around. In short, the western approach tends to treat management as a science, and it adopts a "clinical" approach to handling the organisation.

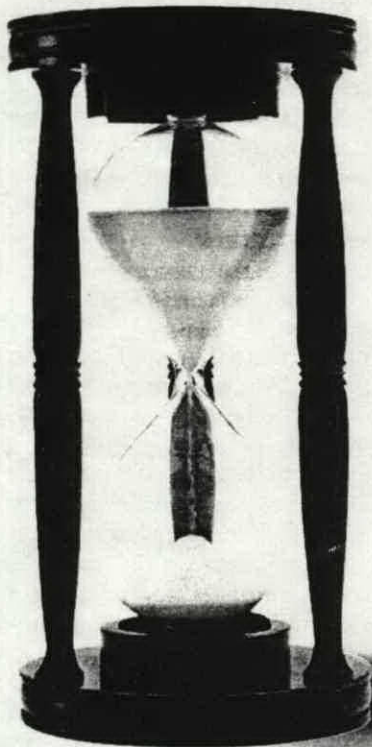
#### Reinforcement required

In business, the heart and mind are not mutually exclusive, nor is one approach superior to the other. There is nothing wrong with dealing with the mind, so long as a healthy balance is maintained. For example, if teamwork is necessary for success, then more heart must be injected into the organisation. This is an area in which

much of the literature on teamwork is lacking. While many current texts discuss the importance and contributions of teamwork and team building, they tend to treat the subject rather clinically and pay little attention to building social bonds within the team.

Ironically, it was Elton Mayo's classic Hawthorne experiment in 1933 that clearly demonstrated the emergence of the team idea in an organised work setting – one that operated with the heart. That well documented project at the Western Electric Company showed a group maintaining high productivity over five years largely as a result of the psychic rewards resulting from its strong team spirit.

The group members found satisfaction not because they were promised higher wages, but because they took pride in their collective achievements. Their leader managed by the heart, not the mind. Perhaps it is time that western executives revisit these classic works to rediscover the effect of the heart in people management.



**TIME TO  
CONCENTRATE  
ON WHAT YOU  
DO BEST.**



You know that outsourcing is a growing practice in many areas of business life. You know it can offer big benefits – in time, money and freedom to focus on core activities. You're aware that recruitment could be the next function to receive the full outsourcing treatment – again with the same benefits. But not unnaturally, you're wary about relinquishing control over such a key area of your business. If it really could be a viable, valuable option for you (and we recognise that it's not automatically right for every organisation), we're the people to deliver the benefits in full measure.

Our combination of skills and experience is probably unique. Our parent company, Capita plc, is simply the acknowledged leader in all aspects of outsourcing. We ourselves have the systems, the technology and the experience to handle with ease the high-volume recruitment campaigns that might overtax your own resources. And we have access to imaginative, effective recruitment advertising – the kind that brings results even in today's difficult recruitment market.

A brief exploratory discussion could prove to be an excellent investment. To make an appointment, or simply to discover what recruitment outsourcing in general – and RAS in particular – can offer, contact Claire Sargeant on 0171 202 0536, or Email her at [c.sargeant@rasnet.co.uk](mailto:c.sargeant@rasnet.co.uk)

