

DIE GROOT SAKE-ONDERNEMING IN DIE GEMEENSAP BIG BUSINESS AND SOCIETY

Praatjie deur Dr. Chris van Wyk, Ekonoom van Sanlam by die Jaarlikse Dinee van die Kaapse Tak van die Instituut van Koste- en Bedryfsrekenmeesters



Die groot sake-onderneming kom al meer in die kalklig. En ongelukkig is baie van die publisiteit nie vleierend en vriendelik nie.

Die gesaghebbende *Opinion Research Corporation* van Princeton Universiteit in die V.S.A. sê byvoorbeeld na 'n onlangse opname onder die publiek: "Corporations face the worst public attitude climate in a decade" — en daarby bedoel hulle die grotes in die V.S.A. Verder word gerapporteer: "there has been a heavy loss of goodwill among influentials in our society."

Waarom hierdie tekens van 'n afname in welwillendheid teenoor die sakereuse van vandag? Is hulle dan besig om 'n onreg teenoor die gemeenskap — hulle kliënte, aandeelhouders, werkers, staat, kerk, ens. — te pleeg?

Daar is baie mense wat vra: "Maar kom die groot sake-onderneming dan nie al sy verpligtings teenoor die gemeenskap na deur maar net te probeer om die hoogste moontlike wins te maak nie? Dan is al sy aandeelhouders mos gelukkig, hopelik sy werkers ook en sy kliënte het by implikasie met so 'n doeltreffende organisasie te doen dat hulle altyd die beste diens kry. En die nasionale ekonomie kan tog net baat. Boonop kry die Staat 'n groot belasting-inkomste wat weer tot voordeel van die gemeenskap aangewend kan word ens. ens."

Maar blykbaar gaan dié argument deesdae nie meer op nie. Want om groot en suksesvol te wees — so word al meer geredeneer — bring dikwels die probleem van besoedeling mee; dit gaan dikwels gepaard met feitlik monopolistiese praktyke wat nie in die publiek se belang is nie; dit plaas dikwels sulke hoë eise op amptenare en vereis sulke totale toewyding van alle werknemers dat hulle bloot maatskappy-eiendom word en dit maak die organisasie in baie gevalle 'n onpersoonlike robot vir sy kliënte. Die publiek is deesdae blykbaar net nie meer beïndruk met veral die groot sake-onderneming wat voorgee om net na maksimum wins te strewen nie.

Wat is dan die belangrikste uitdagings, verantwoordelikhede en probleme van die groot sake-onderneming van vandag vir sover dit sy verhouding met die gemeenskap aangaan? Ek kan

aan baie dink.

Daar is, byvoorbeeld, die kwessie van die bydrae wat die groot sake-onderneming tot die verbetering van die lewenstandaard van veral ons swart werkers kan maak. Hulle moet gehelp word om ten minste bokant die broodlyn ("poverty datum line") te kan leef, want hulle kan hulleself nie juis in vakbonde organiseer nie. En die groot sake-onderneming moet die leiding neem om hulle opleiding, huisvesting, produktiwiteit en geleenthede vir vordering sodanig te verbeter dat hulle hoër lone betaal kan word om aan hulle menswaardige bestaan te verseker.

Dan is daan ook die kwessie van die dikwels botsende aansprake op die winste van die groot onderneming. Die sakereuse het baie aandeelhouders. As lede van die publiek pleit hulle saam met nie-aandeelhouders vir meer finansiële steun van groot sakeondernemings vir opleiding, navorsing, welsyn, kuns, kultuur in die algemeen en die bestryding van besoedeling. As aandeelhouders wat winsgroei en hoër dividend-uitkerings wil sien, pleit hulle weer vir die besnoeiing van uitgawes wat nie winste meebring nie. Met so 'n konflik op hande, hoe moet die groot organisasie die gemeenskap ten beste dien en terselfdertyd sy aandeelhouders gelukkig hou? Hierdie probleem skep 'n groot uitdaging vir topbestuur. Bowendien verhoog dit die aansprake op die tyd, energie, vaardighede en vindingrykheid van die hele bestuurskorps.

Daar is ook nog talle ander aspekte waaroor ons kan gesels.

Maar ek wil my vanaand tot veral één aspek beperk, naamlik die eise wat die groot sake-onderneming aan die hele huisgesin stel.

The Impact of Big Business on Family Life

Especially during the past decade, the average South African business executive seems to have become considerably younger. The advent of the "young ones" to the managerial ranks is the result of partly a scarcity of managers, partly better training at a much earlier age, partly better selection methods and, finally, part of a world-wide phenomenon.

But, whatever the reason for this juvenation of the managerial ranks, it implies rather significant

changes in family responsibilities of husband and wife and it has already quite substantially reduced the time and attention which the younger manager of today is able to devote to his family compared to his counterpart of a previous generation. This phenomenon is particularly noticeable in big business where demands for continued growth, expansion and innovation suck increasing numbers of young officers into positions of considerable management responsibility.

The result is that the young wife has to shoulder an increasing responsibility for the discipline and upbringing of the children and for organizing domestic affairs. The young executive spends an increasing amount of time away from home on business trips and works to a highly irregular schedule even if he is not away from home. His wife and children have to make do with much less of his attention, guidance and discipline than the families of the previous generation of managers. Moreover, and very important in this regard, they have to do so at a much younger age when they need more, not less, assistance, care and guidance.

This, again, implies a different and increased involvement — not necessarily willingly — of the family with the company and with its demands on the husband/father. In fact, it demands from the family, and in particular from the young wife, much greater support, encouragement, sacrifice and understanding for the demands made by big business on her husband's time and energy. Few of you will probably disagree that if such increased support and understanding is not forthcoming, the young married executive's productivity, loyalty and devotion to the company are likely to suffer in the long run. And this is exactly the opposite of what top management would like to see.

Obviously this issue has two sides. One side of it is that the young executive's wife and family should accept that there is a price to be paid for the high standards of living enjoyed by our society, for the high aspirations we have for our children and for the increasing drive for achievement. And wife and children should be prepared to make amends for this.

But, looking at its other side, I am not sure that the top managements of big business are deeply enough aware of this problem. It must be in the interests of the big concern to try to accommodate it; to achieve greater loyalty to and understanding of the company's objectives among the wives of especially their younger executives. This seems to be a challenge to management that has been overlooked.

It seems to me that the question is increasingly being asked by the young spouses: "is it all really worth the sacrifices demanded of a family with

young children needing their father's care, attention and discipline? What sort of generation are we bringing up for the future if the young children have to forego so much of a father's love and guidance? Is this very thing not a major cause of increasing juvenile delinquency, or of our high divorce rate etc. etc."

And if these rather rebellious questions continue to haunt the wife of the young executive even after she has made sincere attempts to adapt to the situation, her natural reaction is to become anti-big business in some degree or another.

In the Japanese business society where one finds great emphasis on group membership and loyalty, which encompasses the entire family, it is quite common to speak of Mrs. Fujimo not as the daughter of Mr. and Mrs. Kashiwagi, but rather as a member of the Toyota or Hitachi family of businesses which gives life-long employment to her husband.

But we have a different culture. In our culture this identification of wife and family with the husband's work does not follow from a pervasive set of social values. We will have to work at this very problem of bringing closer together the whole family and big business which employs the husband.

I seem to observe scattered signs of an increasing degree of resistance among a growing number of young wives against the extent to which their husbands have already become or are increasingly becoming "company property". They seem to feel that this takes place too much at the expense of the family. If this is true — which is not all that easy to deny — then big business is making — perhaps unwittingly at this stage — a significant impact on one of the corner stones of society and hence on future society itself.

My feeling is that the impact of big business on society through its impact on family life will have to be recognised and attended to by top managements without much delay. Otherwise it could well turn out to become a counter-productive and anti-organization force which cannot in the long run leave their more youthful executives unaffected.

So, what starts off as part of the drive of big business to expand and grow, therefore creates an impact on family life which could very likely in the long run tend to counter these very objectives. This thought is alarming indeed.

I do not purport to have a ready-made solution. But, then, to find a solution is not our task tonight. However, I do feel that this is a rather overlooked and not so obvious impact of big business on society which is going to pose a significant challenge to top management in the years to come.

To summarise

You young wives present here tonight, and presumably all young wives throughout the country, want your husbands to advance to more senior positions, and to earn the higher income that goes with those higher positions. Of course, we young husbands ourselves also want it because of our drive for achievement. And we have to realise that there is a price to be paid.

But this still leaves big business with the challenge: How to reconcile the family demands and responsibilities of especially the younger generation of managers with their increased involvement with company affairs in such a manner that wife and family become friends and even allies of the company instead of enemies. In other words, the challenge to big business is to see that the price does not become too high.

---oOo---

SOFT HEART SOFT HEAD

With acknowledgements to "Management Today"

Managers often have trouble in deciding between the kind and the hard-hearted course. Financial figures often impose a cruel-seeming imperative: but ignoring that imperative may be cruel to all those involved — as shown here by Saul Gellerman.

Managers are as fond of debating pseudo-questions as anyone else. Their all-time favourite among questions which, being unanswerable, shouldn't be asked concerns the importance of kindness. Should a manager be considerate and gentle, or hard and demanding, with his subordinates? Should he be soft-hearted or hard-hearted? It makes for a lovely debate which can be rekindled conveniently whenever there's nothing better to do. It prolongs seminars, clutters books and has made more than one consultant's fortune. But the answer seems to be that it doesn't matter. *Chacun à son goût*. What gets the manager into trouble is not the softness of his heart, but of his head.

Shortly after the war a designer had established a small company which made a very high quality line of furniture. While the company was still quite small, it was unable to obtain adequate financing from banks, and was often desperately short of cash. The founder of the company decided to sell some of its shares to his employees, partly to show his appreciation for their loyalty and partly to raise cash.

Eventually the company prospered, and as a result those employees who had held their stock became wealthy. A few were 'paper millionaires' in terms of the value of their stock, which by then was traded publicly. Success also brought larger size, more professional management and a more formal organization structure. The founder, by then rather aged and serving as chairman of the board, delegated most of the day-to-day management

tasks to the president, who had joined him in the early days as a salesman and had always been his closest business adviser.

At about this time the president commissioned an organization study by a well-known consulting firm. Among other recommendations, the consultants pointed out that many key positions in middle management were held by people whose principal qualification seemed to be their years of loyal service to the company. They suggested that in many cases the best interests of the company would be served by replacing them with more competent managers. The chairman had been unable to accept this proposal because of strong ties of sentiment to the individuals involved. The president added another objection to the idea: the awkward fact that most of the managers identified by the consultants as inadequate performers were also substantial stockholders. For these reasons no action was taken.

HE EXPECTED EFFICIENT OPERATIONS

After the death of the chairman, the furniture company was acquired by a large, diversified corporation. The president retained his position, but now reported to a group vice-president of the parent. In discussions with his new superior, the question of administrative efficiency arose, and the president told the story of the consultants' recommendation and of the reasons for his and the late chairman's refusal to accept it. The group vice-president commented that the efficiency of the subsidiary was the president's responsibility, and that while he was not going to tell him how to achieve it, he did expect efficient operations.

At that time the furniture company was enjoying a particularly prosperous period, because of the remarkable success of some of its products. Sales, revenues and order backlogs were all high, and, while costs were also high, the margin of profit was so comfortable that no one was alarmed.