

Excerpted from *The Antidote: How to Transform Your Business for the Extreme Challenges of the 21st Century*,

by Anand Sharma and Gary Hourselet

**I**n the 1950s, most leaders grew up with the scientific management model. They thought of their employees as replaceable drones charged with repetitive tasks requiring little thought or initiative. When employees failed to do their jobs well, they were liabilities. When they joined their union friends on strike, they could not be trusted. The logical approach to managing them was a command-and-control hierarchy.

The limitations of this approach have been increasingly magnified by a growing global marketplace. When people become commodities and not a human resource, when they have no value beyond the tasks they perform, when they become expendable to boost the bottom line, we betray our responsibility as leaders. We give ourselves permission to exploit and repress others and, ultimately, it can and has led to social unrest, terrorism and waging wars without worrying about the casualties.

Traveling extensively around the globe in the past 30 years, experiencing the best and worst practices business can offer, I recently visited several small and medium-sized Indian manufacturing companies, all well-respected and with excellent prospects for growth. All had an alarming twist: They employ 20 to 80 percent of their workforce through intermediary contract labor providers. By agreement, these workers must be terminated in less than six months. The reason for this type of management has nothing to do with labor costs because there's an abundance of cheap labor available. The real reason, I am told is to keep the flexibility of relocating at will and keep the unions out.

It's a perfect example of treating people as disposable commodities, and it's not without its cost even in the short term. It requires a large number of personnel and other management people to supervise the transient workforce, and yet despite the armies of management and technical people, poor quality, lack of motivation, and inconsistency plague these companies.

Similarly, in the booming exterior regions of China, people coming from the interior to find jobs are being exploited with low wages, long hours, and poor working and living conditions that are neither humane nor sustainable. They work 12 hours a day, six days a week. Turnover ranges from 40 to 60 percent. This is not the right way, morally or economically, to treat people.

As companies in the West have learned, if you treat people this way you create apathetic workers who provide poor products and services to your customers. This current movement in India and China is interestingly a re-creation of the scientific management system.

Germany and France provide examples of the other extreme, which also clearly is not the solution: Workers put in 32–35 hours a week and enjoy six weeks of vacation a year. Not only is this economically unfeasible, it also results in high unemployment that ultimately leads to social unrest.

Neither extreme can survive the new market reality in which customers demand a workforce that can continuously create high-quality products and services at the right time and for the right price. Companies cannot meet these requirements unless they involve their employees in continually improving their processes. They may get by in the short term with treating employees like commodities, but as Western companies have painfully discovered, such an approach has a limited shelf life.

The new management model is one antidote to this destructive world view. Some may hold politicians accountable for world peace, but in truth all of us are accountable to some extent and we must start within our communities—the human communities that we lead and in which we work.

Creating such a world requires new leaders who can empathize, who bring joy to the workplace, and who value the people who work with them. Amazingly, this new brand of leadership also supports the growth and financial success companies seek. Competing globally requires speed and efficiency. A moral management model delivers them by empowering every employee to be an agent for change and continuous improvement.

So here we have the best of both worlds. We can create global “human communities” that promote trust and respect and, in the process, show people how they can coexist despite cultural, social, economic, and religious differences, while at the same time we are building transnational companies that meet financial goals by serving vast global markets and contributing to creating an economic equilibrium. ■

*Additional information on *The Antidote* (2006, Managing Times Press, Durham, NC) can be found at [www.tbmcg.com/about/tbm\\_books](http://www.tbmcg.com/about/tbm_books). Copies of the book can be obtained at [www.tbmstore.com](http://www.tbmstore.com) or at [www.amazon.com](http://www.amazon.com).*

