

CONVERSATION □ Dr. Rene Elicaño

# 'Management is not a popularity contest'

A pioneer in the use of scientific management techniques and electronics computers in industry, Philippine-born Dr. Elicaño has worked at various industrial institutions and government projects in the United States. Among these groups are Allis-Chalmers for which he founded and managed the first internal management consulting and data processing department; the NASA, where he participated in corporate planning and in the direction of various space programs such as Apollo, Gemini and the program management of the lunar module which took the first man to the surface of the moon; and the Kaiser Jeep Corporation where he served as vice president. Since 1969, he has been directing his own management, consulting and executive research firm in the United States. In all, he has accumulated 19 years of executive and management experience in various phases of industry in the United States. He holds a Ph.D. in management from Michigan State University.

Please explain your field of "scientific management."

I consider "scientific management" as a broad term encompassing all the techniques, skills and disciplines necessary to be a "complete" manager. This would include all the "basics" such as: how to set up an effective organization, how to develop and motivate people, how to sell ideas, how to improve methods and cut costs, including how to use common sense. It would also include the more sophisticated areas of electronic computers and operations research.

What is operations research?

Operations research involves the solution of highly complex problems by quantifying as many facets of the problem as possible and then arriving at an overall optimum solution through the use of mathematical and statistical techniques such as mathematical programming, queuing theory, Monte Carlo simulation, and so on. This enables managers to make highly complex decisions without relying too much on guesswork or subjective judgement.

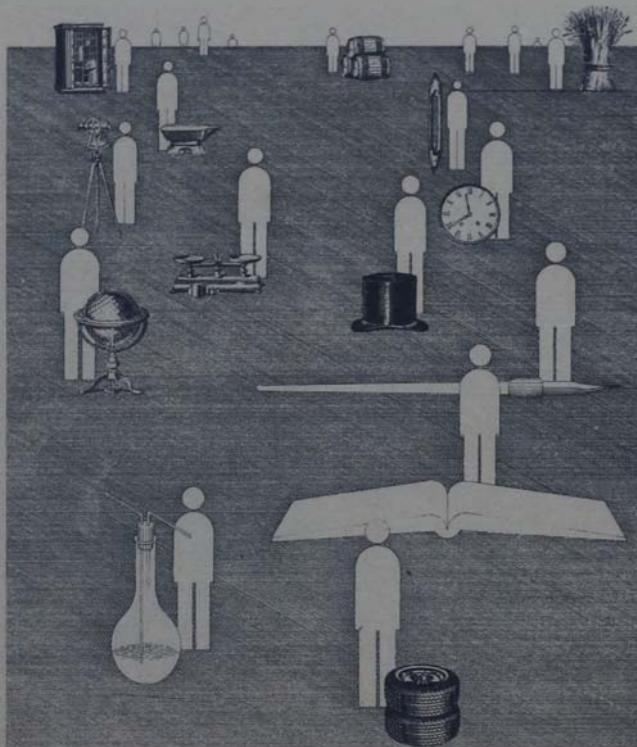
Operations research (O.R.) was first used during World War II to solve military problems such as determining why Allied anti-submarine aircraft were extremely ineffective in sinking Nazi submarines, or determining the best tactics for coping with kamikaze attacks. During the Berlin Airlift, operations research was used to solve the massive logistics problem of routing and scheduling the cargo planes to deliver the right type and quantity of materials from the various supply depots to West Berlin in the most efficient manner. Even today in the US, the government and the military are still the largest users of operations research.

After World War II, operations research spread to the universities and finally to industry. Nineteen years ago, I was one of the first O.R. practitioners in industry in the U.S.

Do you feel that scientific management is applicable in the Philippines?

Definitely. Any situation in which you are trying to achieve goals through people and allocate scarce resources in the most efficient manner, these techniques and disciplines can be applied. The most important thing is to know what you are doing and just use the specific techniques that fit the particular problem. You don't use fancy techniques just for the sake of using fancy techniques. What worked fine in one situation may not be applicable to another because of different conditions.

When you decided to survey Philippine conditions at first hand today what were the primary questions in your mind that you wanted answered by your visit and what answers have you gotten so far?



I did have quite a few questions in my mind. The image of conditions in the Philippines as conveyed by the newspapers in the US has not always been flattering.

However, I was determined to maintain an open mind since I know that any good executive, if he is doing his job the way it should be done, can never be 100 percent popular. It is impossible to please everyone and management is not a popularity contest. As far as the peace and order situation is concerned, it is a lot better than I expected.

But the big questions in my mind had to do with what was being done to solve the basic problems of the Filipino people, such as the urban problems, housing, sewage, transportation, or the development of natural resources, or the planned industrialization, the development of government managers, the elimination of nepotism, graft and corruption in government.

When I arrived, I was really amazed and pleased to find that President Mar-

cos had previously identified all these areas and through proclamations, had established organizations and plans to attack each of these problems. I was really impressed and it sold me on that fact that President Marcos is definitely a brilliant man.

One major area that concerned me was the fiscal responsibility of our government. We are not a particularly wealthy country and you can't spend indefinitely what you don't have. But the President answered that very nicely when he announced his austerity program. It's not a very pleasant course of action but unless a sudden windfall materializes like the discovery of rich oil deposit, the only thing to do is to bite the bullet.

What do you think are the biggest problems in the Philippines?

The biggest problems seem to be primarily economic. Real wages are the lowest they've been in 23 years. The distribution of income is more unbalanced than ever. The top 10 percent of the people get 37 percent of the income while the bottom 10 percent only share one percent of the income.

The balance of payments position is quite unfavorable. The markets for a lot of prime exports are depressed. It is a sad picture but it does not discourage me.

It does point up the challenge and magnitude of the job to be done and the importance of making sure that the various programs of President Marcos to correct these problems should be implemented as effectively and expeditiously as possible.

How do you think you can help the Philippines?

My strengths are primarily as a problem solver, a decision-maker and a pragmatic people manager. With 19 years of practical experience in applying scientific management to actual problems under a wide variety of conditions, I have a distinct advantage over someone with just theoretical knowledge or who has just taught it. I can determine which technique is most applicable to a problem in the real world, what is necessary to make the technique work and how to work with the people involved to achieve

a successful solution.

What does "pragmatic people manager" do?

In both the government and industrial sectors, there is a need to be able to make more optimum decisions and evaluate the impact of alternative strategies. Furthermore, to ensure the effective implementation of the various projects of President Marcos, you need the right people and the right system.

By the right people, I don't mean new people but the existing people who have to be trained to be better managers. They have to be motivated to use their judgement and initiative. Their work attitudes have to be changed. They have to be instilled with a sense of purpose, with more self-discipline, with a sense of urgency to eliminate the complacency that lets them accept the mediocre as satisfactory.

What is the right system anyway?

I don't mean more paperwork and red tape. I mean a system which will provide a flexible framework within which the people can function more efficiently and economically and in a more orderly fashion. This will be a big job and a slow one but it's a job that has to be done.

A program has been initiated to invite Filipino scientists who have succeeded abroad to return to the Philippines and apply their expertise. Please comment.

There are details that still have to be resolved and there are still a lot of bugs in the program, but these should get straightened out with more experience and with an upgrading of standards that will distinguish a half-baked job and a thorough professional job.

As far as returning scientists are concerned, first, if they are successful in the US, they should not expect to receive financial compensation in the Philippines equal to or better than what they are currently earning. If they accept the invitation, money cannot be the prime motivation.

They should be more concerned that they find a position where they can truly benefit the Philippines and not end up as just another paper pusher or boot-licker.

Second, they should not be technique-happy. They should be more concerned with the specific Philippine problems and use the most applicable techniques whether or not they are the same ones they used in the US.

Third, they should be prepared to cope with a lot of frustrations since the Filipinos march to a different drummer than those in the US.

Fourth, a lot of the people they talk to will look at them as threats to their own job security.

Finally, they should be prepared to work in a less structured environment and use more basic techniques. They won't be able to sit behind a big desk, prop their feet up and just push buttons and delegate matters.

They will find that initially at least if they want a job done right, they will have to do it themselves. But if they are willing to roll up their sleeves and get their hands dirty, the challenges are present and the Philippines could use all the help.

How would you sum up your findings in the Philippines?

I was both impressed and delighted by the comprehensive projects of the First Lady to cope with the massive urban problems of Metro Manila. I was indeed very happy to find that President Marcos has covered all the bases admirably with proclamations identifying each of these problems and initiating plans for constructive short and long term solutions. □



Dr. Rene Elicaño