expectations remains an enigma. Experts say the answer lies in analyzing the buying behaviour of the target segment. But getting into the head of an Indian consumer is a task which many contemporary marketing gurus have failed to.

It was a much debated issue – as to how Tata had stuck to and would stick to its promise of delivering the base model of the Nano at Rs. 1 lakh. Although the launch price was Rs. 1 lakh as promised, eventually Tata could not live up to it. The mounting inflation forced Tata to raise prices in course of time and today the base price stands at Rs. 1.53 lakhs.

Is it possible, that this price is fooling two-wheeler owners’ plans of upgrading to the four-wheeler?

The fire catching incidents haven’t helped. Consumers would rather wait to take a bigger loan and go for a slightly more expensive car rather than being worried about leaving their kids in the car with the fear of it catching fire always on the back of their minds. Dealing with peak-hour traffic was another major concern for the families living in metropolitan cities. Two-wheeler owners provide a reasonable commuting solution to this problem because of their greater maneuverability. The idea of owning a proper car for a little more than Rs.1 lakh seemed unbelievable to the common man. Because of this, Tata’s grandiose plans were faced with a lot of derision by the common man. This was evident from the mails and blogs doing rounds before the launch about the Nano being two scooters tied together, a half car and so on. In spite of Tata’s best efforts, unfortunately, this sentiment lingered even after its launch. Some owners do believe that the Nano is real and in fact delivers more value than a few other cars in its league. But some are still faced with ridicule about the smallness of a car which has been assembled with industrial ‘glue’ instead of nuts and bolts.

The rear mounted engine has led some to opine that it cannot handle the full frontal impact. Moreover, Indian customers, in their relentless pursuit of value in whatever purchase they make, do not want a good car; they want the best car at the lowest price.

One reason for the consumer ‘overreaction’ is often cited as Ratan Tata’s seemingly adamant claims of delivering the car at the promised price of ’1 lakh. A common response to the quality and safety issues with the Nano is that Ratan Tata brought this car into the market at the promised price just to keep his word. And for this reason, consumers don’t believe he has made sure that the best parts are installed. Not everyone was convinced by the constant denial of Tata that there are no safety issues with the Nano. The additional safety features as announced by Tata were probably insufficient to address their concerns.

"Your trumpet sounds twice as loud when others blow it instead of you." Tata was probably hoping that the media rumpus and the word of mouth publicity that the Nano had generated on its own would help it sail through the first year of its launch. But it seems like the press was playing the wrong note. People were never able to see the fun element in the Nano for quite a while after its launch, as the media coverage focussed on the frugal engineering and the cost cutting issues all through. Many reckon Tata brought in the commercials focussed on the specific benefits a little late in the day.

It is likely that Tata Nano appealed to a rung of the consumer-ladder above the intended one. Instead of being bought by nuclear families of size 4 or 5, which normally travel dangerously perched on scooters and bikes even during inclement weather, the Nano has been bought largely by people who already have a car but liked the idea of having a smaller one for running local errands.

Considered a game-changer once, Nano was expected to turn the Indian automobile industry upside down. But in the three years since its commercial launch in March 2009, "The People’s Car" is far from seeing the success that was expected of it. What went wrong? Was it the "first-mover’s curse"? Can we completely write off a car which many believe is a miracle of ‘Homegrown Engineering’?

24 Source: Tata Nano official website – ex showroom price for Mumbai as on October 19, 2011
25 Source: YouTube video – Tata Nano: Consumers’ post purchase behavior, uploaded on March 8, 2010
26 Source: Stuff.co.nz article – "World’s cheapest car a flop", January 1, 2011

High Performance Healthcare: Using the Power of Relationships to Achieve Quality, Efficiency and Resilience

Gittell, J. H.
McGraw-Hill, 2009, 350 pp
$34.95 (Hardback)

Health care industry in India is set to grow and also likely to consolidate faced with a shortage of doctors and medical staff. Thus, just like in developing countries, providers of healthcare will face pressure to deliver better performance at lower costs. In addition, providers will need to take steps to improve patients’ and their relatives’ experience. Thus the providers have to improve their productivity (effectiveness and efficiency) to survive and expand. Jody Hoffer Gittell’s book though USA specific, throws some light on how productivity can be improved by improving the co-ordination among the different stakeholders.

This book is an outcome of Jody Hoffer Gittell’s research work on applying Relational Coordination (how employees communicate with and relate with one another) to some hospitals in USA. She has wide experience in this field having studied the Airline industry in the 1990s when she found that Relational Coordination was significantly different at The Southwest Airlines when compared to other operators. She has published dozens of peer-reviewed articles, chapters and several books. She serves as a cochair of Health Care Industry Council and serves as Director of the newly formed Relational Coordination Research Collaboration at Brandeis University.

The topics covered are grouped into 3 parts: Transforming Health Care (3 chapters), Building a High Performance Work System (14 chapters), and Getting from Here to There (3 chapters). The book also includes 59 exhibits with notes and a sort of annotated bibliography.

In Part I, first she sets the scene and describes the challenges faced by health service organizations in meeting patients’ requirements. The organizations considered are multi-disciplined, fragmented, functionally specialized, independent, and status-conscious cultural organizations. Then she explains what relational coordination is and illustrates the task interdependencies among doctors, nurses, therapists, social workers and case managers, etc., who form the various subsystems of a healthcare provider. Finally, presents outlines the 3 changes (reducing and simplifying questions and changing from 5-point scale to 4-point one), made to their validated survey instrument to make it appropriate for time-constrained, lower education level of the staff.

In Part II, Jody Hoffer Gittell first gives an overview of the 12 work practices (Select for Team work, Measure Team Performance, Reward Team performance, Resolve Conflicts proactively, Invest in Frontline Leadership, Deign Jobs for Focus, Make Job Boundaries Flexible, Create Boundary Spanners, Connect through Pathways, Broader Participation in Patient Rounds, Develop Shared Information Systems). She also covers measures for the 12 practices that help simultaneously care for patient and use resources efficiently. She also explains how to transform them from the traditional approach create/enhance mutual respect among healthcare providers’ constituents and also to
improve communication of shared goals to enhance knowledge sharing, a key ingredient of a successful operation. She also gives estimations of the impact on the quality and efficiency of patient care and relational coordination of each of the individual work practices. Outsourcing of some services to reduce cost has become vogue and will necessitate improving cross-organizational coordination. The importance of this is highlighted in Chapter 16. In the final chapter, the author provides evidence to support her claim that well coordinated high performance work systems help an organization to succeed while benefiting patients and their care providers.

In Part III, first she emphasizes the need to institute a supportive set of high performance work practices to sustain the efforts of care providers and shows that external pressures are not sufficient though they can act as a motivator. Then she explains a 7-step process to implement high performance work systems in healthcare organizations. These steps are: 1) identifying leadership for change, 2) Mapping out a chosen focal work process, 3) measuring key outcomes (quality and efficiency), 4) identifying weak links by measuring relational coordination, 5) identifying gaps by measuring the high performance work system, 6) systematically transforming work practices, and 7) repeating steps 3 to 6.

Finally, suggests key elements to include in the overhaul of U.S. Health Policy after exploring barriers such as Fragmented payment systems, hospital-physician relationships, and information systems; and Adversarial labor law.

The method followed by her can act as a guide for conducting further similar research in other industries and countries. The High Performance Work System Interview Protocol included can be tailored to other work processes.

Further details are provided in "Relational Coordination: Guidelines for Theory, Measurement and Analysis", by Jody Hoffer Gittell (updated May 1, 2011).

K. Narasimhan

About the Reviewer

Kasturi Narasimhan, retired in 2005 as a Learning and Teaching Fellow in the University of Bolton, UK. He graduated from Mysore University and Indian Institute of Science and worked at Electronic and Radar Development Establishment, Bangalore. He has gained Postgraduate Diploma in Management from Manchester Polytechnic and a Master degree in Management Sciences from UMIST. He worked as a Development Engineer and then as Industrial Engineer at Philips Electrical, UK, and as Assistant Productivity Manager at Littlewoods Organization, UK., before moving to academia, in 1987. He has taught Operations Management, Strategic Management and related subjects on both undergraduates and postgraduate courses. He has conducted research on quality in higher education at both macro and micro levels and his conference papers at refereed International conferences in Australia, India, Japan, Malaysia, UK and USA have been published. He has also conducted staff training on Team Work, Customer Focus, Time management, and TQM at a textile firm in Coimbatore, India. He has conducted a number of seminars for both staff and students in Higher Education Institutions, including IIMs. He was a Senior Associate of the Centre for Quality Management, RMIT University and is a Visiting Professor at Dr. G. R. Damodaran Institute of Management (GRDIM), Coimbatore. He was the Regional Advisor (India) for Emerald (formerly known as the MCB Press), UK, and the Book Reviews editor for TQM Journal, and Managing Service Quality and Measuring Business Excellence journals published by them. Since 2008 he has associated with Promentor Consulting as a Chief Advisor.