

13/09/00
Book Review
of

Maverick!

**Ricardo Semler, CEO, Semco,
1994 Arrow Business Books, London**

INTRODUCTION

The purpose of this paper is to critique a book dealing with leaders/leadership in terms of leadership development. Before a critical analysis can proceed, the concepts of leadership and leadership development must be understood.

Although many explanations exist, leadership can be defined as the process of influencing individuals and groups within organisations, assisting in goal establishment, and providing guidance towards goal achievement, thereby allowing them to be effective (Nahavandi, 1997, p. 4). This definition describes a group phenomenon: there are no leaders without followers. Leadership is goal directed and plays an active role in groups and organisations. The presence of leaders often assumes some form of hierarchy, even when the hierarchy is very flat (Nahavandi 1997, p. 4).

As with the concept of leadership, leadership development activities must evolve from context—that is, they must address the question, ‘Leadership for what?’ (Foster 2000). Leadership development refers to the identification and development of exceptional people, capable of positively shaping the organisation’s future through formal and informal training programs and activities (Fulmer 1997; Fulmer & Vicere 1995; Butler 1999).

The book being analysed in this paper is *Maverick!* which describes the company of Semco under Ricardo Semler’s leadership. The areas examined in this paper include:

- What makes leaders effective?; and
- Core components of leadership development.

Within these segments, major issues and challenges are described, Semco’s current situation is reviewed and areas that strongly support or contradict current leadership development concepts are highlighted.

WHAT MAKES LEADERS EFFECTIVE?

Ricardo Semler (1994) expressed his views on leadership by stating “only the respect of the led creates a leader”. Semler created an environment of respect within the organisation by reducing the hierarchical structures built by previous leaders and through many unique strategies (Morgan & Zohar 1999).

There is a multitude of other factors required by leaders: these include vision and strategic perspective (Whitten 2000; O'Neill 1996; Foster 2000). Although no formal organisational chart or policies exist within Semco, the future perspective held by staff is significant. All employees have unlimited access to the company's books and are trained to read financial documents, salaries are published and all employees are involved in corporate decisions (such as diversifications and acquisitions). One of Semco's basic philosophies builds on participation and involvement and encourages all staff to give opinions (Semler 1994). Semco staff welcome change and view change processes as healthy and positive (Semler 1994; Atkinson 1990). Transparency in business operation is extremely effective at Semco—supporting Semler's underlying principle of 'treating people like adults' (Semler 1994; Morgan & Zohar 1999).

To encourage flexibility and innovation, Semler attacked issues of 'corporate oppression'. Time clocks, dress codes, security procedures, privileged office styles and perquisites, along with other manifestations of traditional corporate culture, were attacked. His own reduction in hours of work and desire to make himself dispensable encouraged greater delegation and a drive towards arrangements where factories and offices became self-managing (Semler 1994). Replacing the traditional concepts were employee-set salaries, bonuses (shared as teams chose), wages linked to profit-sharing, no controls over travel or business expenses, flexible working hours set by employees, encouragement of comfortable surroundings, and changed and adapted working areas to please employees (Semler 1994; Mann 1994).

Due to the flattening of the organisational structure, delegations of work and responsibility are at the team level. Team coordination of issues, such as flexibility of start times, division of bonuses and the team environment, reinforces this team—based devolution (Tozer 1997). Teams within Semco are not only at the work level; all employees are team members of the organisation and are encouraged to participate in all corporate decisions (Semler 1994; Atkinson 1990). Within Semco, minority groups are encouraged to develop and run their own development programs.

Another factor frequently mentioned is employee empowerment (Wong & Kleiner 1996). This requires strong leadership at the top, and employee involvement to promote leadership development at all other organisational levels (Wong & Kleiner 1996). As experienced at Semco, the presence of leadership at all levels creates an organisation able to adapt, learn and innovate (Wong & Kleiner 1996). Semler created an environment where teams and individuals are encouraged to self-manage and be involved in the core business of the organisation (Semler 1994).

CORE COMPONENTS OF LEADERSHIP DEVELOPMENT

In addition to choosing a good and effective leader, companies must implement appropriate leadership programs (Turner 2000). For leadership to be positive, certain leadership skills need to be developed and/or improved. Past and present leaders give a good indication of skills necessary to lead. However, it is important to remember that different approaches work better for individual organisations (Skinner 1999). To turn

intentions into action, a leadership development plan needs to be designed and implemented and include a number of essential elements.

A Model Of Successful Leadership

A model of successful leadership is important for any leader (Hagberg Consulting Group 1998). Semler chose an eclectic style of leadership drawn from what he considered the best from many systems. From capitalism, he adopted ideals of personal freedom, individualism and competition (Semler 1994). From socialism, he learned to control greed and share information and power (Semler 1994). A Japanese model was copied for flexibility (Semler 1994). Semler shunned other models for their rigidity and hierarchical power influence (Semler 1994; Fierman & Eiben 1995).

Self-Assessment, Reflection And Objective Feedback On Leadership Performance

Twice a year, within Semco, employees evaluate leaders' performance and attitudes using a questionnaire and discussion (Semler 1994). This allows employees to provide honest feedback to managers about their leadership style (Hagberg Consulting Group 1998). Informally, positive and negative comments and suggestions of staff are always welcomed with leaders encouraging effective communication (Semler 1994; Atwater & Waldman 1998).

An Understanding Of The Strengths And Weaknesses Of The Leadership Style

Although Semler consciously chose aspects of other leadership styles, he chose them only on their strengths. Semler discovered his weaknesses by trial and error. His unconventional style created havoc on a number of occasions where his lack of experience led the company into financial and organisational difficulties (Fierman & Eiben 1995; Semler 1994).

Acknowledgement Of The Need To Change In Developmental Areas

Through a lack of experience and strong belief in shared leadership, Semler frequently used delegation in his weak areas (Semler 1994; MacLachlan 1996). Using this approach did not negatively affect business, however, Semler's personal development may have been limited by failing to address these shortcomings (Turner 2000).

Rotation Through Different Developmental Assignments

Factory employees have implemented job rotation, which ensures team members understand and can perform all tasks within their team so that production is not affected under any circumstance (Semler 1994). Semler encouraged managers to rotate jobs every two to five years. Job rotation offers employees the opportunity to learn new skills, discourages empire building, offers a broad view of the company, creates an environment of understanding, succession planning, and opportunity for advancement (Semler 1994; Brady & Grossman 2000). Although other managers have participated in this program, Semler has not used job rotation for his development. Semler's development has occurred through external opportunities such as his progression to vice-president of Brazil's Federation of Industries of the State of Sao Paulo (Semler 1994; Fierman & Eiben 1995).

Targeted Training And Education

At Semco, no formal training programs exist. Training is ad hoc — employees request training in skills that will assist them to reach future goals. While this may contradict the recommendations of current literature, Semco employees target their training and development requirements and feel responsible for their own education (Semler 1994).

Good Coaching And Mentoring

Semco's multiple job rotation strategies encourage peer mentoring and shared leadership (Fierman & Eiben 1995). To ensure that employees understand the organisation position, all staff are trained to read financial documents. Due to profit-sharing strategies implemented at Semco, staff are genuinely interested in Semco's health and this knowledge assists with employee productivity and motivation (Semler 1994; MacLachlan 1996).

The elements outlined above provide leaders with a background to develop a leadership plan, however, some basic requirements for leaders to possess include honesty, vision, intelligence, energy, inspiring and able to team well with others and move rapidly toward the organisational vision (Skinner 1999).

CONCLUSION

Despite a large amount of literature surrounding the topics of leadership and leadership development, there is not one set of criteria that determines success in either of these areas (Butler 1999; Sadler 1997; Bourke 1998). Many influencing factors are present in organisations for leadership and leadership development; however, for leadership development to be successful, support is required from all members of the organisation (Simkins 1999).

This paper has identified a number of strategies and concepts outlined by Semler in his book *Maverick!* which support current literature in the leadership development field. Other concepts of leadership and leadership development practised at Semco contradict current literature. These contradictions do not seem to have affected the success of 'the world's most unusual workplace' — they merely add to Semco's unique qualities and reputation as one of the best companies in Brazil to work for, and one of the most sought after by job applicants.

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