Semler Maverick

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Recommended Citation

This book is a frank recounting of the unique growth and development of the Brazilian company called SEMCO, controlling ownership of which passed to Ricardo Semler from his father when Ricardo was in his early 20s - some 12 years ago. Maverick is a humorous, non-pretentious, yet crucially important recounting of Semler's experiences and learnings as he and his fellow SEMCO counselors came to reject, and then sought to change, the hierarchical (12 tier structure) and rigid operations of the manufacturing business which had been ruled by Semler Senior. So deep was the latter's concern with control that his son feels that he cannot relinquish it even after death thus Semler the Younger senses his father's custodial eyes on them from his grave not far from the company's headquarters in the large industrial city of Sao Paulo.

Why does Semler choose to call himself and/or the company Maverick and what is it that entices a multi-cultural array of managers from large, better-known companies around the world to knock on the door of what Semler describes as "our nondescript industrial complex on the outskirts of the city?"

The author puts the reader in the picture in his clear, conversational style which, often tongue in cheek and wrily humorous, describes an ever developing and changing process of egalitarian co-operation in the workplace. One comes to see that, through the upholding of specific values which are central to the workings of SEMCO, we are witnessing in this book the ongoing creation of a working environment that has to be seriously considered as the option for our future in a world that is growing smaller but not more harmonious.

The book begins around 1982 and wanders in the general direction of 1994 regaling the reader with anecdotes about the young owners forays into different aspects of business management and SEMCO's conquering exploits as it struggles in the market place hindered by Brazil's floundering economy. What we see is some growth for the company and a general decline in the sense of well being of the owner due to excessive levels of stress.

Through trial and error, a growing philosophical perspective (and a thought for his own health), Semler and SEMCO began what he calls a "coming about". From this point on, the 12 tier hierarchical structure which he considered repressive and non-trusting began to be reduced to a 3 tier collaborative group characterized by employee participation, profit sharing and open information systems. Power and responsibility were to be shared by all in the interests of all. That SEMCO was genuine in its intentions, and came to be considered so by all concerned with SEMCO is clear in the growing confidence of the employees:
They started conservatively, creating subcommittees to modernize lockers and bathrooms, buying the materials themselves and sending us the bills....Eventually the committees broadened their concerns, butting into our business, which was the running of the business. They helped us to identify surplus managers, casting suspicious eyes towards people with titles such as strategic planning manager, data processing manager, even marketing manager....They took over plant cafeterias, set production goals, and suggested major changes in products."

(p.78)

Semler does not leave us in the dark about the basic philosophical beliefs which direct his thinking and the thinking of those who obviously support him in this enterprise which has made SEMCO "one of Latin America's fastest-growing companies, acknowledged to be the best in Brazil to work for, and with a waiting list of thousands of applicants hoping to join it." (cover piece)

He doesn't hesitate to confront the problems of worker/employer relationships and of tribalism both discussed by Klein in Newsweek in January, 1993. Marxists have seen the struggle of the 20th century as being that of worker against repressive hierarchically minded employers but Glazer (in Klein, 1993, p. 29) considers that currently the real power lies in tribalism--which he defines as ethnic group against ethnic group. Klein (p. 29) describes the latter as being "rampant" in New York for example.

Semler sees both perspectives (worker status and ethnicity) as resulting in tribalism saying that whatever personal identification one has, whether it be ethnic, religious, political, vocational or company oriented, humankind has always lived in tribes. These, says Semler, give us an identity, "for better or worse." (p. 278) He goes on:

People derive identity from their companies, too, wearing Mitsubishi or Motorola like a surname. And within companies they can belong to sub-tribes, each with its own norms of dress and conduct. Just as you will never confuse an orthodox Jew with a Hari Krishna follower, never will finance executives, with their suspenders and Ferragamo ties, be mistaken for production guys, with their multiple pens safely tucked in plastic shirtpocket protectors. (p. 278)

And what is Semler's answer?

Companies and organizations must be redesigned to let tribes be. They must develop systems based on co-existence, not on some unattainable ideal of harmony. Different tribes will never fully integrate, which is why it is folly to try to create a 'we're-all-one-big-family' atmosphere in the
workplace....Recognize divergence and let people determine their own ways of achieving it. The issue of tribal co-existence is, I believe, critical for survival in modern times. (p. 278)

As Semler points out, the First World can no longer keep its distance from the Third World viewing the Southern Hemisphere as very far away and therefore not relevant. Technology is drawing everyone and every place closer together and "like lava from a huge volcano, tribes are moving towards areas where the standard of living is higher." (p. 279)

Semler warns that most companies and organizations are unprepared for this new world order and instead of accepting change as its basic premise and letting tribal customs thrive so that power is fostered through respect rather than rules, they attempt to integrate immigrants through elaborate training programs which merely teach them the surface niceties...."have a nice day."

SEMCO doesn’t employ on the basis of philosophical attunement with its system. Instead, it looks for competence, and ignores all else. Employees may question and continue to disagree because open-mindedness and trust in employees go hand in hand with a distrust of dogma.

SEMCO works on the basis that while discrimination will always exist because it is tied up with multi-faceted tribalism, a great deal can be done to diminish its effects and SEMCO itself has no first- or second-class citizens.

Our workers wear collars of many colours, not just blue and white and we don’t condone symbols of power or exclusivity such as executive cafeterias or reserved parking places. (p. 87)

Some readers will be interested to define SEMCO’s political standing considering the above comments and the fact that workers all share 23% of the company’s profits at the end of the financial year. Referring to the latter company policy, Semler points out that profit sharing is hardly a socialist conceit. "Few ideas are as capitalist as profit-sharing, which rewards with part of a company’s earnings the people who help generate this blessed surplus." (p. 134) The company described in this book isn’t a political model - rather it is a process. It is not socialist or capitalist and is not interested in "just-in time deliveries, salary surveys" (p. 282) and other formal program controls. SEMCO has the most basic matter foremost and that is the challenge of making people look forward to coming to work in the morning.

This book is a reflection of SEMCO itself: open it anywhere and you will be absorbed, getting the drift without the usual rational, linear, left to right, up and down format of the traditional manuscript spawned of a
hierarchical, left to right, up and down society. You might even say the

text is circular and you revisit scenes, people and events in the natural

manner of everyday experience (which means that Semler does not hide

SEMCO's faults and failings).

The complex and unconventional workings of SEMCO have only been

briefly touched upon here. Why not learn a salutary lesson about tribal co­

existence in a realistic environment? I can guarantee that you will not be

bored. Its unmistakable air of authenticity cannot be denied and its
drawing power has been felt by more than 800 000 people in Brazil alone

who have purchased this book written by their Business Leader of the

Year. Take this opportunity to have a bird's eye view of everyman/woman

in a circular, flexible, non-hierarchical workplace where one can develop

one's own role in the way which suits one best. Learn that what suits the

individual can also very aimably suit the company. Enjoy some humour as

you recognize and feel lightened by the sense of freedom from posturing,
coercion and un-necessary restraint which is making SEMCO and Semler a

household name at a time when deadly struggles for ethnic identity and

one-up-manship are disrupting and destroying at least half the world.

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(Note: This book has just moved from the number three position it held in Australia in terms of popularity as compared with other business books for the last two years, to number one position. This book is the most popular business book in Australia today. This is very significant as it indicates not only that interest has been sustained, but that it is increasing rather than declining.)