

Maverick

PRODUCTIVITY



BOSS rules!

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"We can't call an ambulance. He doesn't allow personal calls on company time."

PARTICIPATION



TRUST



COLLABORATION

WAGES



Adults

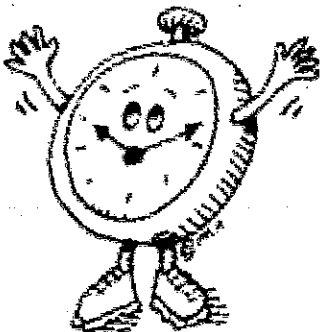
EVALUATION

SEMLER

JOB SATISFACTION

SEMCO

HIGH STAKES



Cooperation

Assignment 1: Group Mini-research project; Section A
Greg Beacroft, Sharon Shahoud, Nicola Connors

Ricardo Semler:
New approach to business and company
organisation

What do you think of a man who at 21 years of age is made president of his father's declining company. One of his first tasks is to fire sixty percent of his top level managers.

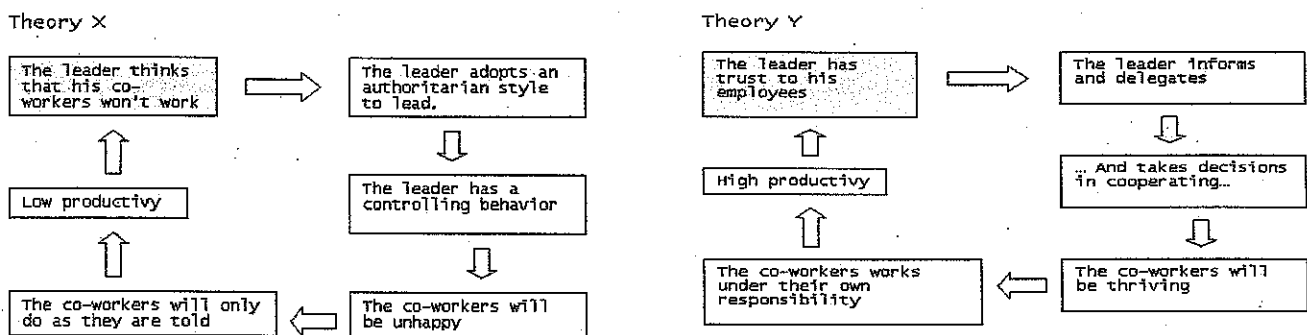
He then works hard for the next four years diversifying the company and it's showing growth and returning a profit.

After ill health and employees unrest he decides to gives employees a large democratic say in how the company should be run. In fact employees can set their own hours, take days off, they can even have a say in who they would like to be their manager.

You would think a company ran like that would be bled dry by greedy employees, yet the opposite is happening.

SEMCO numbers have shown 27.5 percent growth per year for the last 14 years. An investment of 100,000 made twenty years ago would now be worth an estimated 5.4 million dollars.

The structure that Semler uses to organise his business is based on participative management which was developed by Douglas McGregor. McGregor presented a theory which explained the relationship between the leader's behaviour and the co-worker's performance. He supposed that a leader may have two different suppositions about an average person with relation to the workplace.



Theory X supposed that workers did not want to be at work. The only way to keep them working was to impose authority over them with the threat of punishment attached to poor effort and production. The supposition was that people liked to be controlled and that they tended to avoid responsibility at all cost.

Theory Y supposed that workers enjoyed working where the cooperative and collaborative efforts of a team were rewarded. That responsibility was not only accepted incidentally but was sought out by workers. That creativity, fantasy and ability were not just reserved for the chosen few. Finally it challenged the thought that the average human's potential is only partly made use of in today's society.

Ricardo Semler challenges people to rethink the fundamental beliefs they have about organisations, leadership and lifestyle. These beliefs generally lie in a military inspired structure which has not developed or changed in any way even though life in general has had significant changes. He poses many questions which call for reflection but one certainly stands out. Why has it been so easy for people to allow the workplace to encroach on their home life with the introduction of home computers, internet and mobile phones but the reverse has been shunned? Flexibility is the key in the work place at SEMCO and employees are encouraged to believe that anything is possible.

In developing a new attitude Semler first gave employees a say on what was wrong with the staff cafeteria, for which he was receiving endless complaints. When employees decided to let some of their own workers take over the canteen the complaints stopped.

Semler then went on to address worker's uniforms, improving the presentation of the work place and work hours all by allowing workers to be involved in the decision making through a democratic process.

Workers wages were made public so that everyone knew what each other was receiving. Semler paid everyone an extra 10 percent of the approved average pay scale that was set by an independent analyst to avoid employee turnover.

The transformation of the company took five years but Semco is an ever-changing, ever-expanding and ever diversifying business. The leadership of Semco chose 'Life' not 'Power'. This is why Semco has chosen to do things... somewhat differently. At Semco:

- Employees set their own working hours
- Employees choose their own salaries
- All meetings are voluntary and open to everyone
- Employees hire their own bosses
- HR has been almost abolished, because leaders need to be able to treat their employees right themselves
- All employees rate their bosses twice a year and all ratings are published
- Employees choose which leader they want to work under
- Employees choose which Semco office they want to work out of
- Employees can take early retirement, meaning they get one day a week off in return for working one day a week after they retire.

Ricardo Semler doesn't believe in five year plans, because in five years the world can change, he strives to make the change now.

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