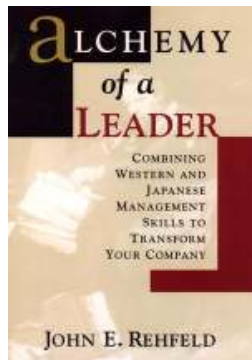


## Book Review

Dr. N. R. Parasuraman  
Deputy Director and Dean – Academics  
Professor – Finance, SDM IMD, Mysore.



Alchemy of a leader  
By John E. Rehfeld.  
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### ALCHEMY OF A LEADER

With the expansion of the organization to a multinational horizon, the alchemy of business practices would necessarily involve free inter-flow of managerial styles between diverse cultures. Techniques, which are apparently different, can be combined to bring about radical transformation in core managerial philosophy. Companies generally base their central managerial thought on their inherent cultural backgrounds and in-built dogmas as to certain "do"s and "don'ts. In actual practice, if we analyze these with reference to the cultural backgrounds of Companies in various parts of the globe, we can open out new streams of managerial ideas.

John E Rehfeld in his book *Alchemy of a Leader* emphasizes that the success or otherwise of an enterprise depends a lot on its willingness to inculcate alien work cultures and practices into its system. The key question is whether it has succeeded in overcoming its cultural bias and rigidity. The book is basically about the applicability of certain Japanese managerial practices to Companies following the American style of management. However, the message of

the book goes far beyond that and calls for introspection on dogmatic positions and constant induction of ideas from other cultures.

At the outset, the author questions the validity of the 12-month cycle followed by most companies. He contends that this is a cultural relic and has nothing to do with business realities. From a budgeting angle, it makes a lot more sense to have a 6-month cycle, to enable corrections of mistakes in the initial plan as well as in giving an impetus to the managers all around. The 12-month cycle is too long and sometimes results in frustrations at certain levels, when even at the half way stage it becomes apparent that targets cannot be met.

Another Japanese philosophy, which could be easily emulated by other Companies, is the practice of *kaizen* or continuous improvement. Here, mistakes are freely admitted, it is all treated as "our" work and employees generally feel that their individual actions result in the making or breaking of company fortunes. The overall managerial philosophy has to undergo a change for this. The environment must encourage incremental improvements at each level.

A striking difference in attitude can be seen in the communication methods followed by the Japanese. The entire structure of the organization, the layout of the offices and the systems followed all encourage open communication. Every effort is made to improve on-going inter-personal communication both horizontally and vertically. Strategically, silence too is a great communicator and in performance review meetings this is used quite often to instill in the other person greater confidence. The system of open communication is much more effective than the practice of first name address followed by most American companies. The latter's apparent informality does not necessarily result in more open communication, because inter-personal relationships depend on overall culture and not the form.

Performance evaluation of employees is also a key area. This aims at comparing the company perception of employee potential and performance in the past with special emphasis on creativity. There could be situations when the immediate superior officer does not give a good rating to the employee but the Personnel Department does. Here, the superior officer is required to establish his rating. Ultimately if the impasse continues, this will result in the transfer of the employee or sometimes the supervising officer.

The Japanese also follow what the author calls "aggressive patience". The decision-maker displays enormous willingness to explore all possible avenues over and over. In their set-up, decision-making is basically circular and not

linear, and so the overall implications on the Company become more apparent with time. The attempt is to achieve a long-run win-win situation rather than a quick decision resulting in momentary victory for one. The managerial mission is made clear to the entire team by patient interaction. Each manager constantly seeks to set an example and expects the subordinates to only follow what he himself practices, in letter and spirit.

Most of the principles listed in the book are the result of the author's personal experience as a senior executive in a couple of Japanese companies. These methods are the direct offshoot of the Japanese cultural background. The book throws light on inherent inertia displayed by Western styles of management on certain matters. For a global leader, alchemy of approach is the best suited so that one is not stymied by one's cultural limitations.

The book makes very interesting reading and it really is a learning experience. It gives food for thought on the way many organizations are run. The least one can do is to have a policy and practice in things, right or wrong. The book, however, would have been more useful if it had given full cases and situations rather than mostly generalizing. The actual situation in a case and its relevance to the principles enunciated would have made the book a practical manual. As it is, management practitioners and aspiring management graduates will learn a lot from the principles in the book.

