

## ***More than a Motorcycle: The Leadership Journey at Harley-Davidson***

*By Rich Teerlink and Lee Ozley, Harvard Business School Press, 2000, pp 278, Price: \$24.95.*

**A**n organisation that manages

itself, where authority and responsibility are diffused into the appropriate reaches, where individuals share a commitment to making an organisation that fulfils a joint vision, where ownership is shared and felt at all levels across 5000+ employees – sounds like Utopia, doesn't it? This thought-provoking book provides insights into how one of the most famous motorcycle companies in the world has come close to reaching this ideal state in the late 1990s.

However, that this is not a 'how-to' book. Quite the opposite in fact as the authors explicitly disagree with the notion that there is one best way to transform an organisation. What this book suggests instead is that for the process of transformation to succeed, a long-term and sustained commitment from the top management is essential. As the authors acknowledge, making major changes during a crisis is much easier than once the crisis has passed. In the case of Harley-Davidson (HD), the company had already recovered substantially from the crisis situation that had existed just a few years earlier, and the top management under CEO Rich Teerlink can certainly take substantial credit for attempting a post-crisis comprehensive transformation that would put HD on a different trajectory altogether. Ironically, though perhaps not surprisingly, top-down initiatives are required to initiate and sustain the move away from a top-down system.

This book suggests that borrowed mantras are, whether from Japan or elsewhere, unlikely to provide the basis for differentiating a company from others though such mantras contain ideas that could be usefully adapted and implemented in a variety of situations. Every company is unique, has a history and culture that have evolved over time, and it is up to a perceptive management to choose and dovetail the 'right' organisational interventions. Organisational transformation is hard work – it needs patience, integrity and energy; there are no 'quick fixes'. Given a dynamic environment, and the difficulty in predicting how exactly different initiatives will work out, a commitment to some basic principles and values is more important than a long-range road-map. In short, process is the key.

HR and IR have traditionally represented separate and different systems of managing people, with different paradigms for dealing with white collar and blue collar employees respectively. A highlight of the HD transformation has been the participation of union management in joint decision-making leading to the possibility of substantial changes within HD's existing facilities, unlike the case of many US automobile manufacturers where major productivity and method changes could take place only in greenfield facilities. One reason why this transformation could take place in HD at all was the tremendous credibility that the top management enjoyed due to its track record of straight-talking and sticking to its word. While managers at different levels and union leaders disagreed with many of the ideas that were proposed at different times in the process, there were few occasions on which intentions and motives were questioned. It seems unlikely that the kind of changes that took place at HD could happen in a company that has been run on Machiavellian lines.

This book also points to the strong potential of a long-term partnership between a CEO and a consultant (co-author Lee Ozley) where the relationship is driven by intellectual curiosity, openness to new ideas, and a strong commitment to see a radically-transformed organisation no longer operating in a 'top-down' decision making framework. In this case, the consultant played excellent foil to the CEO by contributing content and process ideas distilled from management research but without being driven by dogma or a quest for personal glory. The consultant also desisted from attempts to increase the billing of his firm, choosing instead to concentrate on what needed to be done and who was the best person to do it. Quite a contrast to what is reported to be the practice followed by many of the leading consulting firms<sup>1</sup>.

Unlike many other accounts of change processes in companies, this book takes you through both the good and the bad times, moves that worked and those that didn't. It does not attempt to glorify the contributions of individuals but at the same time does not diminish the salience of individual contributions that made a difference.

It might appear curmudgeonly to look for flaws in an excellent book. But there are a couple of points that need to be mentioned. Though the book starts with a chronological approach, later chapters take a thematic

perspective (partnering, communication, etc) to give an in-depth understanding of how progress evolved in these themes. This makes the book a little confusing. There is, however, a chart giving the chronology and sequence of different initiatives on different dimensions at the beginning of the book to try and mitigate this. Perhaps the authors have deliberately avoided a strictly chronological description to avoid giving the impression that there was a grand plan behind the whole process.

The book documents the transformation process at HD with only a few occasional references to the external environment (macroeconomic conditions, demand, competition, etc). Though the authors admit upfront that luck plays a big role in the success of any organisational initiative, it appears that many years of steady economic growth in the 1990s in the US and the failure of competition to make serious inroads into the high-powered motorcycle business did play a fortuitous role in creating the slack that allowed this transformation to happen. The authors could have investigated this issue in greater detail.

Indian companies have been in the throes of change since the early 1990s. Most attempts at transformation appear to have been piecemeal or wedded to a particular change philosophy borrowed from elsewhere such as TQC, TPM or Six Sigma. Anecdotal evidence suggests that barring a few exceptions, these transplanted change processes have been of only short-term benefit. The HD experience suggests that Indian companies need to discover their own 'change theories in action', unique to their own situations, strengths, weaknesses and organisational cultures. Do we have the corporate leadership and consultants who can make this happen? Time alone will tell, but in the meantime, this book is highly commended to students of management, consultants and managers particularly at senior levels.

## References

1 Pinault, Lewis, *Consulting Demons: Inside the Unscrupulous World of Global Corporate Consulting*, New York: HarperBusiness, 2000.

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