



PROFILES IN LEADERSHIP, COLLABORATION, AND EMPLOYEE ENGAGEMENT INTERVIEW SERIES

INTERVIEW WITH JOEL CUTCHER-GERSHENFELD,
DAN BROOKS AND MARTIN MULLOY



LIST OF PARTICIPANTS:

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Professor and Consultant to Ford Motor Companies

DAN BROOKS

Former UAW union leader

MARTIN MULLOY

Vice President for Global Labor Affairs, Ford Motor Companies

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Veteran Journalist and Radio Host

STEVE KRASKE

I'm Steve Kraske, and this is the Overland Resource Group podcast series – “Profiles in Leadership, Collaboration and Employee Engagement.” These are stories about the surprising results organizations achieve by experimenting with alternative approaches to working collaboratively, empowering employees and leading more creatively.

These stories are told by leaders of corporations, government agencies and the unions which represent their workforces as well as leading experts in the field of organizational change.

The series is underwritten by Overland Resource Group, a change leadership consultancy bringing transformative results to organizations for over 30 years.

Today we're visiting with the three co-authors of a new book, *Inside the Ford-UAW Transformation: Pivotal Events in Valuing Work and Delivering Results*.

The book focuses on the events that led up to the 2009 decision by the Ford Motor Company to not accept a federal bailout package. In doing so, Ford became the only member of the Big Three automakers to walk away from the bailout.

The authors are Joel Cutcher-Gershenfeld. He's about to become a professor in the Heller School of Social Policy and Management at Brandeis University. He's consulted with Ford and the UAW for more than two decades. Joel, thanks for joining us.



**JOEL CUTHER-
GERSHENFELD**

It's a pleasure. It's a real honor to be talking about this very important transformation story.

STEVE KRASKE

Dan Brooks is also with us. He served as a union leader with the UAW for 35 years, rising from local positions to co-lead many national UAW-Ford programs. Dan, good morning to you.

DAN BROOKS

Good morning. Thanks for having me here.

STEVE KRASKE

Martin Mulloy serves as Ford's vice president for Global Labor Affairs. Martin, good to have you, too.

MARTIN MULLOY

Thank you very much.

STEVE KRASKE

As I mentioned, you know, one of the themes of this book is all these significant events that contributed to Ford's decision not to accept the bailout. It struck me in reading about them that a significant number of these pivotal moments were driven by crisis, such as a plant in danger of closing. So my question is: How possible is it to achieve transformational change without standing on the precipice of a shutdown or going out of business or facing some kind of monumental crisis? Marty?

MARTIN MULLOY

Well, it's tough. The burning platform. We used to call it a Pearl Harbor event. There's no doubt about it. The level of transformation that took place in a very short period of time at Ford at all levels. I'm not just talking about union-management contracts, but I'm talking about senior management decisions on platforms, the integration of the brand, the decision to sell off some of our brands. I think the crisis was the impetus of really getting us into the right direction and starting to make some really tough decisions going forward.

STEVE KRASKE

Joel, can you achieve transformational change without a crisis?

**JOEL CUTHER-
GERSHENFELD**

Well, you know, in the book, we ended up documenting 56 pivotal events over 30 years. And of those, probably two-thirds of them were planned pivotal events, one-third were unplanned. But as Marty says, the unplanned events were typically in response to a cataclysmic event, a crisis, and frankly, that had a much greater unfreezing quality. What you can do in two or three or four years in a crisis probably corresponds to five or 10 years when you're working on more of a planned-change basis.

STEVE KRASKE

Dan Brooks, do you wish it didn't take a crisis do to what you have to do sometimes to get things done?

DAN BROOKS

One of my greatest frustrations was sustaining a change initiative. You know, when things are going really bad, people are listening, and people are wanting



to change, but when you start to turn a corner and things start getting better and you start taking your eye off the ball, and that was one of our greatest challenges, is how do we sustain this change initiative?

STEVE KRASKE

I wonder if each of you would cite the single biggest reason for why you think that Ford was able to stand as the only one of the big three automakers that didn't take the federal bailout in 2009. Joel, what about that? How do you see that?

**JOEL CUTHER-
GERSHENFELD**

Well, actually, in a sense, part of our argument is that there isn't a single big reason. There are at least a half-dozen things, such as Ford taking out, you know, a line of credit equal to mortgaging the whole business, including the Ford iconic badge itself. But also, its 2007 negotiations, in which critical agreements were reached. But also, the beginning of a process of continuous improvement in quality that saved money measured in billions of dollars, in terms of warranty costs, that was well on its way by that point. And a number of other things that added up to folks being able to have the confidence that they could proceed, but as Marty and Dan will tell you, it was a close call, and it was a tough decision.

STEVE KRASKE

Marty, you were very much involved with that decision. What's your take on that?

MARTIN MULLOY

If I had to characterize it in one word, I'd say the most critical factor was trust. And I'm talking about trust not only with the UAW and Ford Motor Company. 'Cause there's no way we could have made the changes as quickly if we didn't trust one another. Secondly, is the leadership of Ford, starting with Bill Ford. Alan Mulally, Mark Fields, Joe Hendricks — it was really a terrific team that trusted one another and came together and rallied together. If you don't have that kind of camaraderie, that trust, you can't move quickly to achieve your objectives.

STEVE KRASKE

Dan Brooks, did that trust that Marty just referred to, did that extend from labor into the Ford family, and then bouncing back from the Ford family to labor?

DAN BROOKS

Absolutely, it was always — it was always an advantage for the UAW to have the Ford family in power. They were easily accessible, easy to talk to, and there was a great trust between Bill Ford, Jr., and our president at the time, Ron Gettelfinger.

STEVE KRASKE

You know, Joel, as you look across the spectrum of business decisions and labor management situations, how important is that trust? Talk to us a little bit about that.

**JOEL CUTHER-
GERSHENFELD**

Well, it's crucial. On the one hand, trust doesn't happen easily or quickly. It's something you earn and build over time. And so underneath the trust is a

sense of constancy of purpose and really a sense of values that, you know, the Ford-UAW story is a story both of valuing work and delivering results. It's the combination of good places to work and high performance, and you peel back the onion, and at the very core, you see trust and some core values.

MARTIN MULLOY

STEVE KRASKE

Dan, did you see, over the course of time, are there sidebar conversations that take place between UAW leaders and members of the Ford family just to sort of touch base and keep lines of communication open?

DAN BROOKS

Constantly, but Marty would be better able to answer that question than I could.

STEVE KRASKE

Marty?

MARTIN MULLOY

Yes, Bill Ford had an open-door policy, whether it was (UAW President) Ron Gettelfinger or Bob King, currently Dennis Williams. The vice president of the national Ford department is Jimmy Settles.

STEVE KRASKE

These are UAW leaders you're referring to there, Marty.

MARTIN MULLOY

Yeah, excuse me. They can pick up the phone and talk to Bill Ford. They can pick up the phone and talk to the CEO, the CFO. [interruption] And they do. And I gotta tell you, there's a lot of trust and equity built up over time between the Ford family and [inaudible] our employees.

STEVE KRASKE

Joel, how remarkable is that, what Marty just described?

**JOEL CUTHER-
GERSHENFELD**

So, people, if you are in Michigan, and you ask where they work, they say they work at Ford's — not Ford — but Ford's company. So there's the sense that it's still a family-owned firm. And so that sense of identity is there. In some ways, if you talk to Jimmy Settles, who's an African-American union leader, he'll tell you, you can go back two or three generations and find Ford was the first to hire African-American workers in great numbers into skilled trades and other positions. And people would proudly wear that Ford badge on their lapel on Sundays, going to church, and so there's a long story there. Having said that, there are other important labor-management partnerships around the United States, and really, in each one of them, you'll find that there are some deeply-held values that people share that represent the building blocks for partnership.

STEVE KRASKE

I was going to say, Joel, again, looking at this from your national perspective, how common is this brand, this level of trust that we're talking about here, because it sounds like such a simple thing, but I'm gathering that maybe it's — it's rarer than people want to admit that it is.



**JOEL CUTHER-
GERSHENFELD**

Well, there have been a number of studies. It's still hard to get precise numbers, but the estimates are that around 10-15 percent of unionized enterprises, and about 10-15 percent of non-union enterprises have high performance work systems of the kind that we're talking about, that, you know, in too many cases you have more arm's-length relationships where people come and do their work. They do the best they can, but in a sense, good things happen in spite of the system. What we're talking about in the Ford-UAW case and in other cases like it, where it's a high-performance system, and good things happen because of the way the relationships are structured and the work is designed.

STEVE KRASKE

Marty, looking back on it now, how difficult was it to bring the type of large-scale system change that was needed to keep Ford competitive in recent years? I mean, looking at this from a 10,000-foot perspective, so much of this was achieved in just a quarter-century, and that strikes me as pretty fast given the scales that we're talking about here. How difficult was it?

MARTIN MULLOY

Extraordinarily difficult. You have a lot of different players, a lot of different players within the company. Ford's a massive global company. You have the UAW. That UAW's really a democratic institution. They have to get ducks in line and bring people along, bring them together. Contracts have to get ratified. We had something called Action America meetings, which took place once a month. The vice president of the national Ford department, the president of the UAW, the vice president of manufacturing, the president of the Americas and the vice president of labor affairs would get together once a month and talk about business issues. These were very constructive meetings, because it went from people talking, not at each other but past each other, to constructive dialogue and how to build a future together. So, I would never underestimate — no one should ever underestimate the complexity associated with pulling this off.

STEVE KRASKE

Dan Brooks, from your perspective as a union leader, what would you add to that?

DAN BROOKS

I just think — while he was talking, I was thinking... while it's important that we discuss trust at a strategic level, more importantly, at least from my standpoint, it was important to build that trust at the local level. And what I mean by that are the facilities that we represent, as an example, the Kansas City assembly plant. So, it just wasn't important to build it at the strategic level. That had to cascade down to the local levels to-- to make sure that there was real change.

STEVE KRASKE

Dan, as you look back at the last quarter-century, what was the defining moment for you?

DAN BROOKS

For me, it was being assigned to the quality initiative and being given the



responsibility to help Ford improve quality. When I was given the assignment in 2002, Ford was struggling with quality, and we just started from scratch. We implemented a few tools to try to help us build that trust and to develop an operating system, and that's where we really made a turn, not just in quality but in safety and in productivity, which ultimately — you know when, you know when you talk about negotiations, that's all well and good. But if you don't have a product, and that product doesn't delight the people that want to buy it, and if you're not building it with quality, you know it doesn't matter what kind of agreements you have. You gotta make certain that you're building a product that people want.

STEVE KRASKE

Marty, the defining moment for you as you look back over the past 25 years?

MARTIN MULLOY

A profitable growth for all. Actually something that Alan Mulally talked about is everybody being successful in Ford, from the managers, the engineers, the hourly guys, we're able to deliver unprecedented profit-sharing checks, and it all means jobs. Because at the end of the day, aside from the automotive industry, you've got Boeing and the aircraft industry, but there's not a lot of manufacturing left. What we need to do in America is fight like heck for the manufacturing sector in this country, because it provides great jobs for people — particularly people in the blue-collar area.

STEVE KRASKE

The book again is *Inside the Ford-UAW Transformation: Pivotal Events in Valuing Work and Delivering Results*.

This Profile in Leadership, Collaboration and Employee Engagement Interview was brought to you by Overland Resource Group. For a transcript or more information, visit their website at www.orginc.com or email them at WorkingTogether@orginc.com.