



PROFILES IN LEADERSHIP, COLLABORATION, AND EMPLOYEE ENGAGEMENT INTERVIEW SERIES

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



LIST OF PARTICIPANTS:

JOEL CUTCHER-GERSHENFELD

Professor and Consultant to Ford Motor Companies

DAN BROOKS

Former UAW union leader

MARTIN MULLOY

Vice President for Global Labor Affairs, Ford Motor Companies

STEVE KRASKE

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 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.

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.

And finally today, Martin Mulloy is with us. He serves as Ford's vice president for Global Labor Affairs.

Dan, an interesting moment occurred that you were involved in. It occurred in 1981 in Monroe, Michigan. We're going back a few years here. You were in your first term as president of UAW Local 723, and you were elected on a platform opposing this push that was just underway from UAW and Ford to embrace Japanese management practices. In a newsletter to members, you wrote this, and I'm quoting here: "Monroe is not the land of the rising sun...." and you promised members that they would never see "fish heads and rice" on the cafeteria menu. Now, before too long, a UAW vice president was in your office challenging your premise and what you wrote in that newsletter. What did he say to you, and how did you and your members respond?

DAN BROOKS

First of all, it was intimidating to have the person come to my office. He was very matter-of-fact in his just posing questions to me about, is it right just to oppose something for the sake of opposing it, or wouldn't it be better of you to embrace it and make it your own? And you own it. And he went on to explain. He gave me some instances where the employee involvement program had delivered some different results and, you know, I thought about it. Then it wasn't until all of a sudden they're going to close our facility that I thought, "I need to change. I need to change myself." And that's when I became an agent of change.

STEVE KRASKE

Again though, you needed a crisis to push you there, am I hearing you right, Dan?

DAN BROOKS

Absolutely. That's the way it was then. You know, you, you weren't really called to, called to action unless there was something definitely wrong, you know. You know, it's easy to embrace the status quo. If things are going well, there's no need to change. It's just, you know, go in, do your job and go home. But once you're faced with the possibility of having the facility closed — and in, and in my town, we -- we employed 80 percent of the people in the city of Monroe where I lived. So it was important for us to change and try to bring new work in, which we were successful in doing.

STEVE KRASKE

Marty Mulloy, you had your own baptism by fire, and I'm thinking back to 1981 also, when you transferred to the Green Island Plant hard on the banks of the Hudson River across from Troy, N.Y. To describe this Ford plant as featuring a hostile work environment would be putting it awfully mildly. What did you find there when you arrived?

MARTIN MULLOY

Well, I found some very good people, well-intended people, in the particularly hourly ranks, the salary ranks, and a lot of people, I believe, thought they were doing the right thing. But there was such a high degree of animosity on both

sides, and this really, in some respects, was kind of class warfare. This was like, you know “We, the People” versus management kind of, and it was very destructive. When the economic circumstances of the plant changed, and new technology was brought in, the union fought the new technology rather than embracing it. And it was finally determined the plant would have to be closed, and the work was transferred to Michigan, to another UAW facility. It’s too bad, because the community was devastated, Green Island, N.Y. And it taught me a lot about what I did not want to be when I grew up. I did not want to be a person who looked at the union and -- with disdain and hatred, and I was—I was going to do everything in my power to work together with the UAW to try to basically help people and save jobs.

STEVE KRASKE

How did you overcome that feeling of disappointment, though, when—when this simply didn’t work out at the plant, the new technology coming in?

MARTIN MULLOY

Well, at the end of the day, I will say this. We were able to transfer some of the employees from New York. Everyone was offered a transfer, though many of them decided not to come. Most decided not to come, because there’s a legacy of family history in that plant, a lot of families going back, Irish and actually a lot of Russians and Italians in that plant. But you just gotta, you know, you just gotta pick it up and move. You gotta move on. And one thing about a global economy: It’s ruthless, and if you don’t change and move quickly, you’ll die.

STEVE KRASKE

Marty, if you could go back today and talk to those guys back in 1981, what would you say to them? The union guys?

MARTIN MULLOY

I would say your futures are mutually-linked together, because you’re not only going to lose an hourly assembly job, you’re going to lose the engineering jobs. You’re going to lose the finance jobs. You’re going to lose, you know, the plant manager job. Your futures are linked together. Nobody’s better than anyone else. Everyone’s the same, when really, you come down to it. Your futures are linked. Work together, and the enemy is not management. It’s not labor. The enemy is the challenge of the economy, the challenge of the global economy.

STEVE KRASKE

Joel, as I’m sitting here listening to Marty talk, I’m just struck by how far we’ve come in this last quarter-century.

**JOEL CUTHER-
GERSHENFELD**

Well, you know, in the book, we started with 1981-82, that recession, and the other bookend is, of course, the great recession that we just went through. And you know, the 56 pivotal events that we document in this 30-year period really mark the broader challenges facing the U.S. manufacturing sector and the industry more generally. And in each one, if kind of you peel it back, you see people like Marty and Dan facing core challenges. Not all the pivotal

events were successful, but it's a pivot when the future of the enterprise is at stake.

STEVE KRASKE

STEVE KRASKE: Again, as you look at it Joel, and you look at Ford and the UAW, was there any one moment that really stands out of all these moments that begins to crystallize this new thinking on labor's behalf, on management's behalf, in terms of what needed to happen here?

**JOEL CUTHER-
GERSHENFELD**

Well, for me personally, the buildup to the 2007 negotiations really stands out. Marty and Dan and a few people from labor and management actually met with me in a Catholic seminary a year before negotiations were beginning and basically said, "The definition of insanity is doing the same thing over and over again and hoping for a different result. Can we redesign collective bargaining to be more of a problem-solving process, rather than an adversarial process?" And to both parties' credit, that's exactly what they did.

STEVE KRASKE

Well maybe, Joel, being in a Catholic seminary might've helped.

**JOEL CUTHER-
GERSHENFELD**

Well, it, you know, it certainly set the tone. But really the parties took ahold of the institutions within which they were living and reshaped them in a way that delivered better results.

STEVE KRASKE

You know, you guys are in such a different place, as we're discussing here, when it comes to relations between management and labor. The view from the UAW these days is that unions enable work, not withhold work through strikes. Dan, what's the key to other elements of society—I'm thinking of members of Congress—what does it take for them to get on the same page here and to begin to looking at unions through a different prism?

DAN BROOKS

You know that's — that's a great question. I was never more frustrated than when the leaders of the Big Three and our president, Ron Gettelfinger, went to Washington during the bailout discussions, and I was amazed at the lack of knowledge on the part of the leaders in Washington not having a clue of how the union worked with the company to improve processes internally. They had a completely different perspective of what the UAW was and what unions are in general. And part of the reason for writing this book was hopefully, that they could look and see exactly what it is we do to help the company be successful.

STEVE KRASKE

And do you think you're helping members of Congress, for example, see labor unions in a different light? Are you making progress, Dan, or is it still to come?

DAN BROOKS

I really don't want to comment about Washington. I have my own personal opinion, but I don't know that—that they'd be willing to work together on anything in Washington right now. That's my own personal opinion.



MARTIN MULLOY

Could I comment?

STEVE KRASKE

Yes.

MARTIN MULLOY

We had—Dick Gephardt—

STEVE KRASKE

This is Marty, right?

MARTIN MULLOY

Right. Tremendous congressman out of Missouri was on our board of directors during all of this, and if there was one person who really understood the needs of labor and the needs of management and the importance of capital and investment and working together, it's Dick Gephardt. It's a shame — it's a shame he isn't in a very senior leadership position in this country.

STEVE KRASKE

Joel, what else needs to happen to improve labor's image in this country?

**JOEL CUTHER-
GERSHENFELD**

Well, you know, the comment that you made at the beginning that the role of labor is to enable work rather than to withhold labor, is something that increasingly we see unions embracing. I would say there's still a lot of work that unions need to do internally to be full business partners and still independent representatives of the workforce. But in a sense, the story about taking the institutions and changing them is, in a sense, the story that needs to happen in Congress and needs to happen in many of the institutions in our society. Basically, they're not well-designed for the world of accelerating technological change that we all live in. And so the Ford-UAW story, you know at its deepest level, is about realigning the stakeholders and the institutions to better match new realities.

STEVE KRASKE

Gentlemen, we're taping this in August 2015. You have to wonder how all this good will translate to the ongoing labor negotiations that have just began. After all, the Big Three —they're raking in cash. Between them they made net profits of over \$7 billion in 2014. The UAW claims that the concessions it made in 2007, when carmakers were already in that deep financial hole, and again in 2011, are part of the reason that the good times have returned here and that payment is now due. How about some predictions on what might happen here? And Dan, let me begin with you.

DAN BROOKS

I'll leave predictions to someone else. That's—that's not my role. This is something I won't even comment on.

STEVE KRASKE

Marty, hop in here.

MARTIN MULLOY

Well, I—I—I'll tell you what. The Big Three have done very well in terms of profits over the last few years. But it wasn't that long ago we were all facing bankruptcy, and fortunately, Ford did not. This is a highly capital-intensive



industry. It can switch on a dime. The companies need to have a profitable operation in order to reinvest and reinvest to put that investment into jobs, so. But I do think that the parties are going to work it out. But let me...remind you that the employees did very well in this deal. Look at the profit-sharing checks of those three companies, particularly Ford and General Motors over the last three years. It is profitable growth for all, and I do think, collectively, they'll work together, and they will come up with an agreement that is going to make both the union and the company stronger.

STEVE KRASKE

Joel, your prediction.

**JOEL CUTHER-
GERSHENFELD**

Well, you know, we are always cautious when bargaining is going on. Both Marty and Dan are retired, but even so, we all have a philosophy of not wanting to say anything publicly that might compromise or interfere with the ongoing negotiations. But like Marty says, I'm quite confident that the parties will find common ground. And they—but it's going to be a tough negotiations, as you say, there's both a desire for the employees to see some additional gains shared with them, and a real sense of, you know, fear on the part of the employers that we're not out of the woods. Having said all that, I think the most important thing to look for in whatever agreements that are reached is the degree to which they set the stage for future constructive relations, rather than just resolving the issues of the moment.

STEVE KRASKE

The book again Inside the Ford-UAW Transformation: Pivotal Events in Valuing Work and Delivering Results. Thank you, all three, for a very good conversation.

DAN BROOKS

Thank you very much, and I'd like to put a plug in for Kansas City Assembly Plant. That is one of the model assembly plants in the world and a great workforce.

STEVE KRASKE

That's great. Gentlemen, thanks again. 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.