



PROFILES IN LEADERSHIP, COLLABORATION, AND EMPLOYEE ENGAGEMENT INTERVIEW SERIES

INTERVIEW WITH MIKE HERRON



LIST OF PARTICIPANTS:

MIKE HERRON

Chairman of UAW Local 1853 at GM's Spring Hill, Tenn., manufacturing plant

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 are visiting with Mike Herron, chairman of UAW Local 1853 at GM's Spring Hill, Tenn., manufacturing plant.

He's regarded as one of the most articulate and best informed speakers in the country on the issues that unions face today.

Mike, it's good to have you. Thanks for joining us today.

MIKE HERRON

Well, thank you, Steve. I'm glad to be here.

STEVE KRASKE

I want to take you back to 2007. March 30, 2007, to be exact, because that was the final day of production for the Saturn after nearly 15 years of production, and that means 15 years of indoctrination into the Saturn way of doing business. The UAW had a big decision to make at that point: Accept other models or have your workers move to other locations. What choice did you make? And how tough was it getting there?

MIKE HERRON

Well, it was a very difficult decision, because the very unique Saturn partnership-oriented agreement in which the Spring Hill plant was used as, I guess, a template or... it was used as an opportunity really to recreate

the automotive industry, and really the union-management partnership, the relationship in a non-adversarial way. It was—it was bittersweet in terms of the end of that, but it was also... the beginning of the change in that contract really occurred in 2004, when it became apparent that Saturn products were being built all over the United States in many different General Motors plants, and they weren't unique to Spring Hill anymore. So therefore, you ended up having the Saturn products spread throughout the nation, and in order for us to be able to build multiple different products, because the industry changed very significantly. It changed from putting individual product in plants to plants getting flexible tooling that would build multiple different products but off the same architecture. So consequently, what occurred is we had to adapt our ways or we faced becoming a facility that was no longer operable.

STEVE KRASKE

How did you go about the process of making that decision and getting buy-in from your fellow workers, Mike, from your fellow colleagues at UAW?

MIKE HERRON

Well, it was a really educational process. We worked very closely, hand in hand, with the international UAW who had the broader scope of other plants throughout the nation, and you know, there was a lot of discussion that went on. And the determination was made that if we did not fall back under the GM umbrella that we would not be able to build the other GM products, and the fact that the Saturn product was no longer unique to Spring Hill was the determining factor. And so then it began an educational process with the membership and the members that I represent to let them know that things had changed and that in order for us to be able to survive, we had to adapt to the new agreements that were in effect and come back under the GM/UAW umbrella, which ultimately, if you take a look at what occurred, it saved the facility. Because had we not done that—I mean a NUMMI (New United Motor Manufacturing, Inc.) is a very good example of a partnership type of agreement in which GM and the UAW went into partnership with Toyota and when the 2008-2009 recession hit, and there was a tremendous volume reduction in the nation, due to the economy completely collapsing, that plant no longer operated. And so the fact that we made the decision in 2004 to switch over to the General Motors agreement was a career-saving opportunity for this plant.

STEVE KRASKE

Yeah.

MIKE HERRON

Because—and every one of the members I represent, because it would have been a much different situation had we not made that decision in 2004 and then ultimately made the necessary changes through 2007.

STEVE KRASKE

Mike, you said you worked closely with your members to educate them. How closely did you work with management, with GM to get them to remain in Tennessee, to remain in Spring Hill and work with you guys?



MIKE HERRON

Oh, there's been a tremendous amount of effort to work hand in hand with the General Motors leadership. One of the things that Saturn had taught us the previous 20 years that we were at this location was that you can get so much more done when union and management work together in a collaborative fashion, work together, plan together and then execute together than to have management go out on their own and try to run the business and have the union just represent the people and not have any type of collaborative-ness or joint-ness or a partnership. Because if those things don't exist, then what occurs is you sub-optimize the business. And ultimately, in today's world, the union can be an advantage to the businesses that are out there if they're given an opportunity to work closely with management and help to train and educate the workforce.

STEVE KRASKE

So that's the legacy of Saturn that's still with you today.

MIKE HERRON

Yes absolutely. And—

STEVE KRASKE

You can—yeah, go ahead.

MIKE HERRON

Again, it took a tremendous amount of planning and working very closely together to make that transition. In order to be able to make a cultural change like we made, from the 2004 to the 2000, I'll say 2007 timeframe and then on, it takes working very, very closely to be able to create that relationship. Now, I can also tell you that that is an area of opportunity we have today, throughout the—I think throughout the nation. And one of the things that we've got to be able to do is figure out how to recreate those partnerships and in—and do that so you've got an element of trust, a trust basis. Because just about anything is possible when you have that trust. But everything that was done to nurture the Saturn relationship was trust-building. And then if you had something come along that was a challenge, it wasn't a tremendous reduction out of that trust account. The basis for trust was already in place, and we approached everything like it was a problem-solving activity, versus an emotional "they did it to us" or "they did it to us" and finger-pointing and adversarialism that kicks in, and then ultimately very bad things happen. So the new union model that's out there, and the one you see exhibited by the International UAW today and the GM Corp. is one in which people are working collaboratively together. Unions become a job-creating entity by working hand in hand with the company to solve problems and to be able to work closely with the members that they represent to make sure they get a good value for their dues.

STEVE KRASKE

To what extent did your members hang in there with you as you helped develop and worked on this new model that involved you working so closely with GM management?

MIKE HERRON

Our members are fantastic at this location. In fact we had a... we had a

selection process that... that had people come down here... they were allowed to go ahead and bring their families as part of the interview process. So really, it was a bilateral evaluation, if you will. The potential Saturn candidate came down to Spring Hill, Tenn., and had an opportunity to go ahead and look around the area and find out if this was a place that they really wanted to work and were willing to go ahead and sign up for doing business in a new way, leaving some of that old luggage behind them and wanting to create a brand new model for the car industry and for labor relations—the labor relations models in this country. And if you take a look at it there's a lot of commonality between the German models that are out there in the... the works council. And that's one of the things that when Saturn was being created that we looked at, 'cause the works council model is one that allowed the union to be a key participant in the business model. So, I gotta say that's... that's been a very successful model. Saturn had a lot of those key concepts in it. But the membership played an absolutely critical role, because when they came down here, they had the opportunity to say “yes” or “no.” “This is something I want to do,” or “This is—you know, I don't want to be involved in the business to that extent. I just want to come into work every day and go home.” Well, Saturn may not be for you. But if you wanted to come in and this was going to be something that was a way of life, it was going to change the way you had done things in the past. It was an opportunity to... to really, really change the employer relationship with the workforce. And a lot of things were done. I'll give you an example: The symbolism was knocked down. There was no ties. There was no assigned parking spots. There was no salaried cafeterias or bathrooms. So it was, so everybody was put on an equal plateau, and an equal level, and there was no favoritism, and everybody was given an equal opportunity to shine. And, quite frankly, there was a lot of people that came down here that started out building cars that became leaders in the organization and ascended to the top in leading the organization, because they were outstanding in what they did in building vehicles and exhibiting good labor relations and, I'll say, principles.

STEVE KRASKE

You know—the decline of Saturn, Mike. Tell us about that. I mean that automobile was introduced to such fanfare. The first cars came off the line exactly 25 years ago. How did the decision to close the line hit your fellow union members? And how did you deal with that as their leader?

MIKE HERRON

Well, it was very hard. And it was very tough to handle, but you know, at the time that the Saturn brand was ultimately, was ultimately done away with, there was also, you know, three other brands that ended up during the, I'll say, the bankruptcy proceedings, the reorganization of General Motors. And there's a determination that was made that... to have eight different brands and try to maintain eight different brands with eight different specific customer bases. There was a lot of overlap. There was a lot redundancy. And one company just could not, could not survive trying to keep eight brands fresh

every single day with the “gotta have” product, with the, with the outstanding engineering and design practices we’ve got in place today and be ultra-competitive. So, the decision was ultimately made to reduce volume, to reduce the manufacturing footprint throughout the world, and GM did that, and I think that the economic reforms that were put in place by the leadership team and by the UAW specifically have yielded superior financial performance, and that’s the reason there’s record—there’s not only—not only are there record profits, but there’s also record profit-sharing checks that are being paid to the workforce. The automotive bridge loans were paid back. Had the—during that timeframe, had those automotive bridge loans not been yielded or had not been approved for the, for the Big Three, and specifically, it was Chrysler and General Motors that ultimately ended up getting the lifesaving loans, then it would have been a disaster for our economy. Because one in which I don’t think we would be—that we would be out of yet today. And there was some significant leadership that was shown by a lot of different folks in this country during that time. Then, of course, we were very disappointed in some folks, too, in terms of their non-support. I think that the facts—not to dwell on the negative but to talk about the positive things—you know, the people that got behind the American manufacturing and said that GM and Chrysler deserved an opportunity to survive and give them an opportunity to re-organize—what has occurred as a result of that, I think, speaks for itself. It was—it’s going to ultimately go down as one of America’s greatest turnarounds of any time and like I said, the automotive bridge loans were paid back, and I think that—I think that the economy in this country is definitely better off with the manufacturing base that we’ve got, and GM plays such a critical role in that. And I know that I’m proud to work for GM and be a UAW leader and be involved in UAW. The UAW played a critical leadership role in that process, and had the union not taken the tremendous steps that they took, and the leadership of both the international union as well as all the locals throughout the country to support this initiative, then the concessions wouldn’t have occurred, and I think that all our members wouldn’t be receiving pensions through the pension benefit guarantee corporation today. That would have been devastating to the American economy in itself.

STEVE KRASKE

Mike, here by my count, you’ve been elected chairman of UAW Local 1853 five times. The key to union leadership in this new millennium at the local level is what?

MIKE HERRON

I would say you have to have a strong connection with your people. I truly like people. You know, I love working with people. I love—our members are outstanding. They are just trying to come to work every day and support their families. They just want a fair day’s pay for a fair day’s work. This is very hard work. Anybody that’s outside this industry that’s never worked on an assembly line doesn’t know the magnitude or depth of the work that is required to be able to build a car today. It takes a toll on your body, especially after 30 years,

and I can tell you I'm extremely proud of our members. The—I would say that you need a combination—there was a time that being a great negotiator and understanding the contracts and everything are what you needed. You need to be a business leader today to be able to be a union leader in this millennium. You need to understand business. You have to understand rates of return on investment. You have to understand the real value of money today. You got to understand that in order for your—in order for you to have job security, you can't negotiate it unless the company in which your employees worked are doing well. And order for that to occur, you've got to have a union leadership that understand the business side of the business very thoroughly. And I think that the—our leaders at the international union at Solidarity House in Detroit, they do. I know Dennis Williams and Vice President Cindy Estrada and Gary Castille, who is the financial secretary of our union up there, who incidentally used to be the director of our region here, they understand business. They get business, and the chairmen of the UAW locals throughout the country are understanding business. And it's a requirement of the job today, in addition to understanding the legal side of the business, which is, you know, the labor laws, the National Labor Relations Act, your local and national grievance. So there's really several aspects of what it takes to be successful.

STEVE KRASKE

Yeah. You know, Mike—

MIKE HERRON

It's certainly not like it was 20 or 30 years ago and what people would think of a union leadership requirement.

STEVE KRASKE

Mike, final question. Looking at the broader issues facing unions today, the union membership rate nationally continues to dip, the federal government says. Unions now have 14.6 million members. About half the states are now right-to-work states. How do unions turn around these numbers?

MIKE HERRON

Well, I think that one of the things that is really critical is that unions provide a service. And one of the things that has to occur is there has—we have to make sure that the model is successful that we've got. And not only is it successful but that we're able to articulate what those successes are. The members pay dues to have representation, and representation comes in many forms. People are looking for a good contract. They're looking to have decent vacation, pay, benefits—things that are really critical to them and their families. They want good health care. They want to have opportunities to... to grow in the company. They want to have the ability to be able to potentially go to school and better themselves. And all those things come in a union contract. So, I think what—and by the way, the other thing I find very interesting is a lot of these... a lot of these anti-union extremists that are out there right now always talk about the fact that, well, unions are going to be a negative to the business. If they're not familiar with what the model of unionism is today if they think that, because unions can be an inherent advantage to the businesses they're involved in. But



STEVE KRASKE

we've got a job to do to convince the businesses and really the general public in this country that unions are an absolute positive. And we've got to be able to go ahead and let them know what our brand is. Because unions provide a key asset to the middle class and to the workers out there that come to work every day. And the way that I feel about this, and the way that whenever I talk to people—and I have an opportunity to talk to people all throughout the year, whether it's, you know, various business groups or realtor groups or the general community or whether it's potential members that, from other businesses that would be interested in being in unions, and they want to know what the advantages are. You go through all those things I described in terms of the economic advantages, but you also have to be able to describe to them the long term of what being a union member is and also what it is not, because there's some negative perceptions that are out there that have been created throughout the years, and it's really sad. But you think of unions, sometimes you think of that person that's standing on the street corner with a strike sign. Well that's—unfortunately that's the way that some unions were created just because of the fact they wouldn't even be recognized by the businesses, that the workers wanted a voice. But you know for the most part, strikes have pretty much gone by the wayside, and unions are attempting—throughout the nation—to develop a model in which a strike-avoidance strategy would be the best way to go. Because if you—and I can tell you that the president of the international UAW said it numerous times, Dennis Williams—that if we come to the point where we have a strike, then we've both lost. Because the business loses revenue, and the workers lose income that they would otherwise have had by coming to work. So, clearly, everybody would like a good, fair contract without having to have to go out on strike to get that. It's also not a—it's newsworthy to some people that, you know, during the period of the reorganization and the automotive bridge loans and the government oversight, there was a no-strike clause in the agreement in 2011 that prohibited any strikes from taking place, and while that is no longer the plan for—that's no longer in place, I guess I'll say for 2015, certainly nobody believes that the right thing to do is to do that, to go on strike. Everybody's trying to, I think, avoid that, and I think that the plan is to try and get a winning contract for both the company and the people without having to take that step.

STEVE KRASKE

Mike Herron is chairman of UAW Local 1853 at GM's Spring Hill, Tenn., Plant, and Mike, it's been a pleasure. Thanks very much.

MIKE HERRON

Well, thank you. It's been a pleasure talking to you, and I look forward to talking to you again here soon.

STEVE KRASKE

You bet. 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.