

Leadership Lessons for A Divided World

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Introduction

What is the role of a productivity center? What makes a Productivity Center valuable? What does a Productivity Center do? These were the types of questions that were being asked in the State of Maryland in 1977 by the Chairman of the State of Maryland's Economic Development Advisory Council? A member of that Council was also the Dean of the University of Maryland's Business School. The deliberations of this group led them to establish the Maryland Center for Productivity and Quality of Working Life and to locate it in the Maryland Business School. The purpose of the Center was to help retain and grow jobs in Maryland through programs focused on Information Dissemination, Training, Technical Assistance and Research. One of its strategies was also to promote union and management collaboration as a means of helping firms become more competitive. In 1978, I was privileged to become the Director of this organization.

At the time, there was no school to train Productivity Center Directors. Learning the job required attending conferences, visiting companies, and learning from peers. This was aided by the establishment of the NPN (National Productivity Network) which included over a dozen organizations, mostly University based, who were created at about the same time because of the closing of the National Center for Productivity in Washington, D.C. Internationally, the World Confederation of Productivity Science, which had its origins in India became a very valuable resource, served as the lead "professional society" for productivity center directors across the world.

For me personally, I was also fortunate to be invited to join the Quality Council of the U.S. Conference Board. This organization provided access to 3 meetings per year with the Chief Quality Officers of a wide range of Fortune 500 organizations for in-depth sharing of lessons learned in the field. Another opportunity for me came in Maryland for the chance to participate in programs run by the Aspen Institute based in Colorado. The Institute also had a facility on the Eastern Shore of Maryland which gave the institute access to Washington, D.C. and to policy makers in the nation's capital. Through the Aspen Institute, I had the opportunity to meet Forest Behm from Corning Glass. Forry had been President of International Operations for Corning and he coached the Chairman of Corning as he led their Total Quality Management (TQM) initiative. Forry became a very helpful mentor to me and helped the Maryland Center strengthen our capability to assist organizations with the deployment of TQM in Maryland organizations.

All the above, plus 13 years of consulting experiences in working with Maryland organizations, served as preparation for a phone call that I received in 1991. A major Maryland manufacturing plant whose employment base had declined from over 3000 to about 1200 was at risk of closing. Maryland's governor had sent his Director of Economic Development to France to meet with the Chairman of Renault. Renault was in the process of purchasing the iconic American company, "Mack Trucks," which was the parent company of the manufacturing plant located in Hagerstown, Maryland. The Governor's fear was that because Mack had been losing money, that after the takeover, Renault would close the Hagerstown plant and Maryland would lose 1200 jobs. The phone call to me came from Randy Evans, Secretary of Economic Development. He described the situation and told me that the assistance of the University of Maryland Center for Productivity and Quality of Working Life (MCPQWL) was part of the economic package that Maryland offered to Renault to help save the Hagerstown plant. This phone call launched a 16-year relationship between the Maryland Center and the Hagerstown Plant that began in 1991. While the Maryland Center during my 26 years as Director, worked with well over 100 Maryland organizations on a range of projects, no project illustrated the purpose for which we were created better than the Mack Trucks project.

This story is described in my book published in June 2020 entitled "**Transforming a Unionized Plant: Leadership Lessons for a Divided World.**" The book describes the Productivity Center's role in the joint union-management

transformation. The story began in 1991 and continues to this day. The book describes 16 years of the process up until 2007 when key leadership changes in the plant occurred, when the Maryland Center's efforts ended, but after the future of the plant had been secured - at least to the point that any business can be considered secure. I had not visited the plant since 2007 until November 21, 2020. Although the facility and the business had gone through several product changes and modernization phases since 2007, the transformation is still underway as the plant owner Volvo Trucks, is continuing to adapt to changing customer requirements.

The Mack Trucks Plant in Hagerstown, Maryland opened in 1961 to produce diesel engines, transmissions, and axles for the Mack Brand. The Mack name had become an American Icon because of the stellar performance of its trucks in World War 1 and World War 2. This is when the famous phrase "Build Like a Mack Truck" entered American cultural history.

In 1991, thirty years after producing its first truck engine in 1961, Mack Trucks as a company was in a situation not unlike the situation faced by the United States today. It was divided into two "warring" union and management camps - due the personal animosity a few years earlier between the Mack CEO and the top UAW leader who was responsible for Mack. The Hagerstown plant was over 150 miles from its corporate headquarters in Allentown, Pa. but management and union leaders in Hagerstown could not avoid taking sides in this war. The Hagerstown leaders on each side of this divide were forced to play out "scripts" written by the Allentown leaders in their respective camps. As a result, Mack Hagerstown was also strongly divided.

The plant was so close to being closed that the week that the transformation process began, the Plant Manager called the Union President to tell him that it seemed unlikely that the company would be able to meet the payroll in the next week. He was unsure what would happen.

Fortunately, this story had a happy ending. By the end of 2007, the plant had been acquired first by Renault Trucks (RVI) and then Renault's truck business was purchased by Volvo Trucks. The Hagerstown site has become the headquarters for Volvo's North American Powertrain Division. After an investment of over \$400 million, and the implementation of new production technology and a new research and development center, the plant was finally assured of its future.

The decision by Volvo to invest in this plant was driven by several hard business criteria. However, a major element in the decision had to do with the workforce. Not only was there one of the greatest concentrations of talented and experienced diesel engine designers, technicians, and assemblers that one could find in North America, but the members of this workforce had demonstrated the willingness and the ability to change. Evidence of this came from the results of the of the transformation efforts that enabled the people of Hagerstown to create their future.

In this article I will illustrate the way in which the Productivity Center as a "university-based third-party neutral" was able to initially guide and then assist the transformation effort. I will also distill from the 16-year transformation effort some key lessons learned that enabled the Mack Hagerstown plant to transform and survive. These lessons learned have value for leaders of today who must guide their organizations through the challenges necessary to compete in a global, rapidly changing environment.

The relevance of the lessons learned from this story were stated clearly by Roger Johnston, the VP and General Manager of the Mack Hagerstown Plant from 1999-2007. When I interviewed him in 2019, I asked him why should someone today care about a story that took place 12 years ago? Here is what he told me:

"When you think about society today, we have so much of this identity politics, and it pushes people into corners. If we as a company stayed there, we would have died. So, as a nation can we find a way to get away from the "poles" that

the magnetism draws us to and take advantage of the collective intelligence we have as a nation? We need to use that collective intelligence for our competitive benefit. If we don't others will. "

In essence, the challenge that the Maryland Center faced was to assist the union and management leadership of the plant to help enhance the collective intelligence of the work force and use that collective intelligence to create a future for a plant that was in danger of closing in 1991.

Lessons Learned from the Hagerstown Plant Transformation

Lesson 1 -Financial resources were necessary but not sufficient to move the plant to a more competitive position. The plant required a major culture change. This required external consulting assistance as well as external financial assistance from the State of Maryland.

In 1991, Mack had lost \$180 million for the second consecutive year, and it was obvious that significant restructuring would be required. It was uncertain what that would mean for Hagerstown, but there was a high probability that Renault could close the plant. This is what prompted Governor Schaefer and his Secretary of Economic Development, Randy Evans to travel to France to meet with the Chairman of Renault to intervene. The State of Maryland offered a financial incentive package to Renault, and the package also included funds for consulting assistance from the University of Maryland's Center for Productivity and Quality of Working Life which I directed. It was fortuitous that the Secretary of Economic Development realized that financial resources alone were not sufficient to enable the company to become and remain competitive.

In the first meeting involving the plant manager, the Union Shop Chairman, and me, the plant manager asked the Shop Chairman if the UAW would be a partner in a joint union-management effort to save the plant. The Shop Chairman's response spoke to the tribal culture that existed. He said "We will participate if the University of Maryland is involved. But if this is just more Mack 'bullshit' forget it." The Shop Chairman was well known as a man who spoke his mind. To the UAW, the University of Maryland involvement provided a "neutral third party" that they could trust. That connection also in the Union's eyes gave the University consultants sufficient "stature" so that their actions could not easily be co-opted by the company. The decision to involve the University of Maryland, gave the intervention more credibility than if the plant manager had hired ABC Consulting Company which might just have preached the company line. Given the situation, it was necessary for a neutral third-party consultant to assist the transformation process. It was necessary that both management and the union had to change and a "third party" was required to bring that message.

As the Director of the Maryland Center for Productivity and Quality of Working Life, I was the leader of an organization that had been established by the State Department of Economic Development and the University of Maryland College of Business and Management for the purpose of improving union-management relationships. This was viewed to help Maryland firms improve productivity, retain, and create jobs and strengthen the Maryland economy. By 1991, the Center had been in operation for 13 years and had worked with several productivity improvement efforts in both unionized companies and non-union companies. In addition, through our involvement in the U.S. Conference Board Quality Council we had the opportunity to gain knowledge from many of the leading companies in the nation on their total quality management practices. The Center also had an Advisory Board comprised of representatives from business, labor unions, State government, education organizations, and professional associations. We could draw on these organizations for advice and guidance. When the State of Maryland realized that the Hagerstown plant was at risk, it was fortunate to be able to engage the Productivity Center that prior State leaders had the wisdom to create. Our experience prepared us very well to be able to assist the Mack Hagerstown Plant.

Lesson 2- A structured change management process designed by the University of Maryland Center for Quality and Productivity (UMCQP) provided a pathway for the transformation. Due to the experience described above, we were able to bring to the Mack Hagerstown challenge a proven change process that could be adapted to Hagerstown with the

involvement of management and the UAW here.

The methodology proposed to the company involved three phases - 1. Planning, 2. Implementation and 3. Making Total Quality A Way of Life. The Planning process included an organizational assessment by the Maryland Center team followed by the establishment of a Joint Union-Management Guidance Team for the Change Process. The Guidance Team was co-chaired by the Plant Manager and the Union President. As the lead consultant from the UMCPQ I served as the facilitator for this team. Management members were the Plant Manager's direct reporting managers, and the Union members were the key Union Committeemen. The Guidance team met bi-weekly for approximately 2 hours and attendance was mandatory for all members. We followed a rigorous meeting agenda with meeting evaluations for each session. The work of this team consisted of developing the vision and mission statements for the plant, developing the quality, suggestion, and communication/suggestion policies for the plant. The Team also developed the key performance indicators for the plant, established the pilot quality improvement teams, outlined the quality improvement methodology that would be used and defined the Quality Leadership Action Areas (QLAA's) that would be addressed. QLAA's represented the 10 areas that were essential elements of the culture change. These included sustained commitment, communication, quality teams, visible performance measurement, development of people, recognition, etc. The results of the development work done by the Guidance Team was packaged into a 20-hour training program for all plant employees. In essence the planning process served to involve the Guidance Team members in a group development and learning process. This was a critical phase to help the union and management leaders of the plant develop an understanding of and a sense of ownership of the change process. The Phase 2 Implementation Phase consisted of the launch of the 20-hour plant-wide training described in Lesson 4 below and the launch of quality improvement teams to identify and remove root causes of quality problems to provide examples of concrete results to demonstrate that the quality improvement methodology worked.

Lesson 3 - Effective organizational change can only be driven by the CEO and, in unionized organizations, by the CEO and the Union leadership as partners. Consultants can assist but cannot lead. In Hagerstown, Ross Rhoads, Bill Nutter and Jim Stewart were the courageous individuals at the beginning who were willing to take the leap of faith to lead the change process outlined by the University of Maryland facilitators. At this point, the greatest asset we all had was the recognition that "survival was at stake". These leaders did not know with certainty that they would be successful. They were risking their careers. However, at that point, there were few other options.

The key mechanism that was conducted to define and drive the organizational change efforts was through the Guidance Team. This Team operated in parallel with the daily business of the plant which was to produce and deliver world class engines and transmissions to the truck assembly plants. One of my mentors was Forrest Behm, who served in his last job at Corning Glass as President of International Operations. "Forry," as he was called, used a metaphor to describe the necessity of this parallel organizational device - the Guidance Team. He said that coming to work today as a leader is like jumping into a whitewater rapids river. The minute-to-minute pressures of business are like the rapid current that sweeps you downstream until at the end of the day you jump out of the river and go home. In today's digital world, you may not even have the chance to jump out of that river as the rapid tides continue to move you downstream if you carry your digital device in your pocket or purse. The purpose of the Guidance Team in this metaphor is that it forces you to drag your foot along the riverbank to exert some control of the environment that surrounds your work and that is largely out of your control. The 2 -hour, bi-weekly guidance team meetings force leaders to focus on the "important" issues rather than just the "urgent" issues. Actions to change the culture, listen to employee suggestions, enhance employee skills, take time to analyze and improve performance measurement methods, recognize employees for excellent performance are examples of "important" issues that may not get sufficient attention while you are being swept down the whitewater river and dealing with the "urgent" issues.

Lesson 4 - Plantwide training for all employees, led by the organization's top leaders, is essential to develop an

understanding of the need to change and to develop the knowledge and skill to behave differently. The decision to invest in a 20-hour training program for all employees in the plant was another courageous decision. Too often, when companies are losing money, training is one of the first expenses to be cut. The plant manager, Ross Rhoads, made the decision, in a very difficult period, to take all employees in groups of 20-25 off the job for 20 -hours without asking permission from Allentown, to provide training for all plant members. This impressed the union leaders that the plant manager was committed to this process and was willing to take a career risk to involve the union employees in this process. The union insisted that the training be voluntary for UAW members. It was not optional for management employees. Over the next year over 90% of the UAW members volunteered to participate in this training that was delivered by teams of union and management employees who had been trained as trainers. The plant manager and the UAW local President kicked off each training session on Monday and came back on Friday to listen to the employee reactions. Their presence together as union and management leaders was an extremely powerful signal that they were serious about changing the culture and performance outcomes of the plant. A side benefit of this process was that the need to prepare for their training "kick-off" sessions and discuss the employee feedback required additional meetings between the plant manager and union president. This helped them develop a close trusting relationship that paid other dividends in terms of other initiatives required to move the plant forward. Ross Rhoads, the plant manager, speaking about the training said ***"out of 1100 people, I bet we did not get 10 complaints. It was the most productive thing we had ever done."***

There are several different models for rolling out plant wide training. In the Mack implementation we considered three. One was to have managers cascade the training down to their direct reports, who in turn train their next level employees and so on down the organization. A second model was to have the consulting team deliver the training. A third model is what we chose. This model required asking for volunteer trainers from the employee workforce along with volunteer supervisors to be trained as trainers to deliver the material. Training teams of three, typically 2 union employees and 1 supervisor comprised the teams. This process had several advantages. It spread out the training burden since the time required to train all the plant employees in groups of 20-25 took almost a full year. Second, the "trainers" became "champions" on the plant floor for the messages communicated by the training.

There is an important caution with respect to any training. Training creates expectations that the messages delivered in training will be consistent with what employees encounter on the job. This can cause training to backfire if these expectations are not met. In the Mack transformation, plant wide training was done at three different times over the 16-year period. We experienced some "backfires" especially in the cases when the training led employees to expect to experience greater workplace participation in decision making. Not every supervisor had the skill to make the transition from "giving" orders to "engaging employees in decision making." When we had these "backfires" it required a combination of "coaching" by the supervisor's manager and formal supervisory training to help build the supervisory skills required to create the new culture.

Lesson 5 - External Recognition Served as a Reward and Motivator

As plant performance improved, there was recognition in the local and regional press. In addition, a major recognition event came from Maryland's U.S. Senators Paul Sarbanes and Barbara Mikulski awarded the plant Maryland's highest award for Business Excellence- the U.S. Senate Productivity Award. This award recognized the significant performance improvements between 1991 and 1994 such as:

- Over 80% improvements in Engine Quality;
- Over 30% improvements in Engine Productivity;
- Almost 200% improvement in inventory turnover; and
- Over 90% improvement in lost workdays per 100 workers.

These were stunning performance improvements, and they came during a year in which the market for trucks was

booming and the combination led to dramatic profitability improvement for the plant and company.

For the first time since 1991, this recognition enabled the plant community to celebrate what they had accomplished and begin to believe that the plant truly had a future.

Following this significant recognition, there was a tendency for the organization that had been working hard to escape the constant fear that the plant could close, to take a "deep breath" and relax a bit. That did happen in Hagerstown.

Lesson 6 - When an organization raises the bar on performance expectations, to be effective, it must be accompanied by a supportive and enabling leadership style.

In 1995 and 1996, Mack's owner RVI, under pressure to maintain profitability and generate capital for continuing plant modernization raised the performance requirements for Hagerstown. The new goal was 200 engines per day. Ross Rhoads had been replaced as GM by a young French engineer Olivier Vidal who did not have a supportive and enabling leadership style. Olivier was a smart engineer who was skilled at managing and improving the technology, but his people management style tended to be "my way or the highway." The result was that the UAW Leaders chose to withdraw from all the employee involvement efforts that had helped produce the significant performance improvements up to 1994 and the 200 engine per day goal was never met. This was in response to several actions by the plant manager which they interpreted as a failure to show respect for the union employees. The cooperative union-management climate that had been established by the previous plant manager had been destroyed by the new General Manager.

This action by the UAW, to withdraw from the various employee involvement processes caused performance in the plant to drop dramatically. This got the attention of RVI and by the end of 1998, Olivier was reassigned to a job in Spain.

After Olivier was replaced in 1999 by Roger Johnston the management climate dramatically improved. Roger brought a cooperative leadership climate that respected the role of the union and the capabilities of the hourly workforce. This style and the rebuilt partnership with the UAW enabled the plant to reach the 200 engine per day target that had never been achieved.

Lesson 7 - Managers and Technical Professionals tend to underestimate the intelligence and capability of the workforce. As a result, there is a tendency not to share information that should be shared, a failure to push decision making down to the workforce and a failure to equip workers through training to contribute as much as they can contribute.

During the initial total quality training, Ross Rhoads was surprised at how effective the union members who were trained as trainers were in conducting the training. However, upon reflection he said he should not be surprised because when they were off the job these people were school board members, Sunday school teachers, coaches, ministers, and elected officials.

Roger Johnston, the new VP and General Manager who replaced Olivier Vidal, described this tendency with some self-reflection that occurred earlier in his career before he came to Hagerstown. Roger had gone to college at the General Motors Institute (GMI) and graduated with a degree in Manufacturing Engineering. One of the requirements of GMI was that engineering students had to spend a considerable number of hours working on the assembly line as an hourly worker. They rotated through several different assembly jobs which gave them a great perspective of factory work from the union employee perspective. Here is how Roger described the tendency of Senior Manager's and technical professionals to underestimate the capabilities of the hourly workforce.

"As manufacturing engineers, we sometimes think we know better than the people who do the work how to do this better. I completely forgot what I told myself back when I worked on the line (during his GM Institute College Training) about valuing the guy who does the work. The manufacturing engineer in me, liking to turn the wrench myself caused me not to seek the input of the guy on the line. ..Eventually, I threw away all that high and mighty stuff and I finally realized - Hey I need to talk to the guy who is doing it. "

Lesson 8 - Symbols Matter Over the 16-year Transformation, there were many examples of symbolic changes and actions that helped support and accelerate the culture change. The theme of many of these changes were to eliminate or reduce the symbolic status differences between management and hourly employees. The goal was to symbolize we are all on the "same team."

In the early period these changes included the elimination of relics of the old culture such as reserved parking spaces for managers, closing the executive dining room, and eliminating the different colored badges and shirts which signified whether the employee was a union member or a member of management.

Later in the transformation after Roger Johnston assumed the VP of Manufacturing role, some additional symbolic behaviors were carried out. On one very hot day when the external temperature was over 90 degrees and probably over 100 on the shop floor, Roger gave the order to bring coolers filled with Ice water to the assembly line areas. This had never been done before and it symbolized his respect for workers and sent the message that Roger cared for and understood the difficulty of performing in a hot plant. Also, once a week Roger went over to the union hall to meet with committeemen and update them on relevant issues and to seek their input. For the plant manager to regularly go to the union hall and meet with union leaders on their "turf" it sent a powerful message that Roger respected them as human beings and viewed them as partners in making the plant successful.

Roger Johnston had been VP of Manufacturing for only a little over a year when it was announced that Mack and Renault Trucks had been acquired by Volvo Trucks. Once the deal was announced, it remained uncertain whether Volvo would choose to maintain powertrain production in Hagerstown or build a new powertrain manufacturing plant. Since it had very strong leverage over the management and union in Hagerstown until that decision was made, Volvo used their leverage to extract greater flexibility from the UAW with respect to work rules in the union contract. The management and union were forced to open the contract and engage in collective bargaining twice before Volvo was satisfied that its requirement of "greater flexibility" was satisfied.

This was a painful process for the leaders of Hagerstown and Volvo's "hardball" tactics left some "singed feathers" among both the management and union leaders. However, once Volvo committed to invest over \$400 million dollars to modernize the plant to make their next generate diesel engines in Hagerstown, the plant leaders were again able to breathe a sigh of relief.

After Volvo assumed control and brought in Sten-Ake Aronsson from Sweden to be the Senior-Vice President in charge of the Volvo North American Powertrain Division now located in Hagerstown, there were rumors that Volvo would eliminate everything associated with the Mack Brand and the Bulldog symbol. One night, during a celebration of a performance achievement among a third shift group, Sten-Ake came into the plant to join the celebration and brought with him his new puppy - a very lovable bulldog. That coupled with a photo of Sten-Ake and his bulldog along with Mack President Paul Vikner that was published in the company newsletter helped put to rest the rumor that the bulldog would be history.

Symbolic acts such as these make a difference when they are consistent with other behavior.

Lesson 9- World-Class Performance Requires a True Partnership Between All Management and the Union

Employees Aligned Toward Common Shared Objectives.

A true partnership means that every person in the organization feels the responsibility to meet the customer's requirements today and to care for our co-workers, technology and systems that enable us to do that tomorrow and into the future.

A big step in this direction began on Roger Johnston's first day in the plant. On that day, Jim Stewart, the union president, took Roger on a walking tour through the plant and introduced him to many of the key opinion leaders in the UAW - both in Local 171 and in the Engineering Local as well. Jim promised his members that this "new guy" would be different from what they had experienced under Olivier Vidal. Jim risked his reputation but saw this as a way to "turn the page" from the recent painful past.

The formal "Partnership for the Future" initiative was launched by the joint union-management Guidance Team with several specific elements designed by the Union and Management leaders to secure the future for Hagerstown. When it was launched, there were rumors, but they did not yet know the plant was about to get a new owner. However, the goal of the partnership was to make the plant worthy of continued investment and thereby assure its future.

One of the first elements to create a true partnership was a significant effort to analyze the personal values of the manufacturing management team and the union leadership team. The values analysis was conducted by administering the Hall-Tonna Values Survey to the management and union members of the Guidance Team. The survey measures 125 human values and leads to a rank ordering of the 125 values for each survey participant. The purpose was to develop a consensus set of values that both management and the union agreed upon as the set of values that would serve as the foundation for the Partnership for the Future. This consensus set of values was chosen through a structured process facilitated by the UMCQP. The process began with individual feedback to each participant to clarify their individual values. Next there were a series of facilitated group meetings involving the management and union members that led to a selection of approximately 25 values that were shared by all members and that were chosen as the consensus values for the plant.

This analysis pointed out that despite the management and union labels, the two groups had many values in common. It also pointed out that where there were differences, if the values of the two groups could be merged, the resulting set of values would provide a stronger foundation for the partnership than if it was based only on the values of either group alone. This rigorous process to build a common set of shared values led to the four principles chosen as the foundation for the Partnership for the Future. The 4 principles were: Individual Dignity; Continuous Improvement; Mutual Responsibility and Collaboration; and Performance Excellence. Each principle was defined based on a cluster of elemental values that was chosen to form the principle. Using a chemistry metaphor, the 125 individual values were like the periodic table of elements and represented elemental values. The "principles" were like "compounds" created by combinations of the individual chemical elements.

Other key elements of the Partnership initiative were Teams, Training, and Accountability Measurement to Assure that the Values were being lived in the workplace.

One of the key steps in moving toward a true partnership and living the espoused values resulted from a critical decision Roger made early in his tenure in Hagerstown. The plant still had the goal to produce 200 engines per day. To do that, the engine block line needed to produce 200 blocks per day. They had never produced that many. Roger made the unpopular decision to contract out enough block production to make up the gap between what was required and what the plant had demonstrated it could produce. He knew that only the people on the block line had the knowledge and ability to produce 200 blocks per day, but they had never done it. Roger stated it this way: ***"That group of people had the ability to get us there. But we were not, as an organization, yet to the point where they felt the responsibility to do that."***

...Our challenge was to move to the point that "we are all in the same boat. If we don't row fast or plug the hole in the bottom, we are all going down. So, let's see how we can do this together."

Union leaders in the plant, instead of fighting this decision, took it as a challenge to show Roger and the world what they could do. They stepped up to the challenge. They showed that the plant could produce more than 200 blocks per day and Roger cancelled the out-sourcing contract.

This accomplishment represented a very large step toward the goal of creating a true partnership in which all people felt the responsibility to meet customer requirements today and in the future.

Lesson 10 - World Class is a Moving Target. It is easy to throw out the term- World Class Performance. But what does this really mean? Who defines what World Class really means. Does Volvo, as a supplier define what world class means?

Quite simply, world-class in a global marketplace is defined by the customer. Since customer requirements change as the world changes, the definition of world class today will be different tomorrow. This is the reason why organizations are forced to continuously improve.

This Hagerstown plant is here today, because, unlike many manufacturing plants in this country, this plant has been able to strengthen the union-management partnership and continuously improve its performance. It was their willingness and ability to adapt and change that attracted the investment, especially by Volvo that assured the future of the plant. If the leaders and members of the UAW local union had not demonstrated the ability in 1991-1994 to change, RVI would not have chosen to keep this plant open. And, if this plant led by three different General Managers and three different Union Presidents between 1991-2007 and their committeemen had not demonstrated the ability to change old habits and union rules that once had been considered sacred, Volvo would not have invested in this plant.

My final question to Roger Johnston was "why should someone today care about a story that happened over 15 years ago?" In his answer Roger clearly saw the relevance of this story to the world the U.S. lives in today. He left us with this challenge:

"As a nation, can we find a way to surpass our differences and use our collective intelligence for our competitive benefit? If we don't others will."

Roger believed that the moral of the Hagerstown story is that they have shown the world how a group of people could overcome their differences to tap their collective intelligence to achieve success in a rapidly changing world.

Thank you, Hagerstown, for your example to the nation and the world.

Concluding Thoughts

In this story, it was important that the Maryland Center for Productivity and Quality of Work Life was a university-based organization that was perceived as neutral with respect to the management and union relationship. Neutrality was essential at the beginning of the transformation project and a couple of other times over the 16 years when the "train came off the tracks" because of tension between management and the UAW. As the book was being written, an interview with David Perkins highlighted this issue. David had been elected President of the Hagerstown UAW Local Union in 2004. He worked closely as a partner with the VP of Manufacturing Roger Johnston during the roll-out of the Volvo Production System from 2004-2007 where the book ended the story. However, David remained in Hagerstown as

UAW President after Roger Johnston left the plant in 2007. When I interviewed David in 2021, he had moved from Hagerstown to the UAW Regional Office in Baltimore as the Director of Skilled Trades for the Union. He still had responsibility for Hagerstown skilled trades since this was in his Region. He had the unique perspective to see how the transformation described in the book played out after 2007. Here is how David described the importance of a "3rd Party Neutral" university-based, productivity center as the facilitator of the transformation process.

"Bill Nutter was right. Had this been a program run by Mack, it would have failed. They could have run it, maybe just as good as you did, but it would have still failed because we (the UAW) would not have bought into it. From the union perspective, it was not just any third party. If you had been the third party as "Tuttle National Corporation", it would not have worked. But Dr. Tuttle, from the University of Maryland carries a tremendous amount of weight. From the union member's viewpoint, they say I can buy into that. It is not just some company they (Mack) hired who will just preach the party line. They look at you as a truly independent source of information and thought process.... I will tell you that every UAW member when we talked about this, everybody was fine with it because it was from the University of Maryland and that made it legitimate. This is not something they (management) are trying to push on us. They are not going to get the University of Maryland to bend their way, because the University of Maryland is powerful enough to maintain its independence. So, they trusted you.

The key word in David's comment is trust. The key lesson is that when the conflict between union and management has led to a lack of trust between the parties, the intervention must be led by a third-party neutral who can be trusted by both parties. In this case, being from the University of Maryland was critical in bringing that trust. It also helped, that we brought a tested facilitation methodology for managing change. But without trust, no methodology would have been successful.