

Tom Peters: The Leadership Alliance

Viewer's Guide

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INTRODUCTION

In *The Leadership Alliance*, Tom Peters explores the subject of successful leadership by visiting four organizations — General Motors Bay City, Michigan, components plant; Johnsonville Foods; Harley-Davidson's York, Pennsylvania, motorcycle assembly plant; and the Julia B. Thayer High School. On his journey, Peters discovers that leadership involves more than the behavior of the few men and women who run the organization. Instead, it is a special kind of alliance between managers and workers that fully engages the talents and potential of *everyone* in the organization.

The Leadership Alliance is therefore a tale of 4,000, not just four, leaders. As Peters reminds viewers, "It just happens to be four people who opened the door to those 4,000 people." Or, as Barbara Eibell, a teacher at Thayer, says of Principal Dennis Littky, "He's a wonderful leader, but we're also wonderful teachers now, because of him."

The results produced by leaders who unleash the leadership potential of everyone in their organization are awesome. Consider the four featured organizations:

- At Bay City, workers "own the process." In a period of just 17 short months, they successfully met increasingly tight budget constraints by raising levels of productivity, quality and involvement.
- At Johnsonville Foods, self-managing teams helped the company grow an estimated 18- to 20-fold in a ten-year period.
- Harley-Davidson effected a complete turnaround with a program of work teams and worker participation. In 1981, workers were in some cases turning out 80 percent defective parts, the motorcycles were widely regarded as "junk" and Harley was losing market share to Japanese competitors. Today, Harley offers instruction in quality to companies like General Motors, Xerox and Ford.
- In 1980, the students at Julia B. Thayer High School were widely known as the "animals." Only 11 percent of them went on to any post-secondary education. Today, the school is lively and disciplined, 50 percent of the graduates pursue further education and, more important according to their principal, 99 percent of them graduate with the ability to make choices about their future.

What actions and attitudes unleashed the power of leadership in these organizations? What made it possible for 4,000 ordinary men and women to become leaders? The answers Peters finds are surprising. He uncovers environments with few rules and lots of control, with tough standards and with measurement based on trust and autonomy. And at the top of these organizations he discovers four exceptional leaders who genuinely like people, who believe their job is to empower them and who take their greatest pleasure from watching people grow.

HOW TO USE THIS GUIDE

This viewer's guide is designed to help you translate the ideas and information in the video program into your own work situations and to explore the five actions and attitudes that characterize effective leadership: (1) ownership, (2) work teams, (3) continuous learning, (4) self-esteem and (5) vision and values.

Examples drawn from the four case studies illustrate these five themes. Exercises, discussion topics and follow-up activities are provided to help you target specific opportunities for leadership in your job and organization.

Finally, at the end of the guide, a summary chart helps you assess your leadership concerns and how well you are communicating your leadership vision.

Although the primary focus of this guide is on identifying the characteristics of successful leadership at all levels, and on removing barriers to its achievement in your organization, you also will want to take time to discuss the four "honchos" — Pat Carrigan of Bay City, Ralph Stayer of Johnsonville Foods, Vaughn Beals of Harley-Davidson and Dennis Littky of Thayer High School — as role models.

SINGLE SESSION

Review the tape in advance. Then, look through the guide and choose the themes you wish to emphasize. All five themes are probably too much ground to cover in one session. Note the exercises and discussion topics that are most appropriate for your organization and audience.

Before your group views the tape, ask them to take special note of the themes you've selected. You may view the tape through or pause after one or more of the case studies to start your discussion.

MULTIPLE SESSIONS

You may want to follow up your viewing of the program with additional discussions and meetings that focus on the leadership themes you didn't have time to include in your first session. Also, make time to follow through on any actions you committed to taking in the first session. (At the conclusion of the first session, schedule a follow-up meeting for two weeks or a month hence.) What other items should you add to your action list?

Good luck in putting your leadership skills to work in unleashing the power of your group!

INDEXING THE VIDEOTAPE

Make sure the tape is rewound and the video recorder counter is set at 000.

At normal playing speed or fast forward, run the tape and note the counter reading that responds to the beginning of each segment.

SEGMENT	COUNTER READING
Introduction	_____
GM Bay City	_____
Johnsonville Foods	_____
Harley-Davidson	_____
Julia B. Thayer High School	_____
Conclusion	_____

PROFILES

BAY CITY

In 1986, the 70-year-old General Motors Bay City, Michigan, engine-parts plant was a shaky enterprise, producing parts that GM no longer needed. Although GM intended to retool the plant to produce new parts, it was in financial trouble and unable to carry out these plans. As a result, over several years the plant's 4,000-person work force was cut in half.

But with the arrival that year of Plant Manager Pat Carrigan, Bay City's remaining 2,000 workers became involved and innovative leaders. Instead of workers being checked in, checked out and checked on all day long, Carrigan trusted them to keep their own measurements on production and quality, sign themselves in and out, negotiate with vendors and deal directly with customers.

All these changes reflected the Carrigan philosophy: "My thing is people." The results? Two years later, Bay City was not only on budget for the first time, but it had also recorded 13 percent savings that workers and managers found together without the layoff of a single worker.

While many managers point to established unions as a barrier to progress and innovation, Bay City workers now thrive in a union environment. Local 362 of the United Auto Workers cooperates with management in a full partnership. In fact, Jack Whyte, veteran union chairman, calls Carrigan "my partner, Pat." And, as union chairman he has partnership rights, beyond those outlined in any contract. For instance, he has a *de facto* veto in management appointments. Why? Because under the new way of thinking, if the person running the union has to work with a manager he hates, it's going to hurt the whole plant.

C-P-C BAY CITY



CHEVROLET • PONTIAC • CANADA GROUP

Mission

The mission of
C-P-C Bay City is to

manufacture world class automotive components. We are dedicated to meeting our customers' quality, cost, and delivery requirements, and to maintaining a superior competitive-product position. Our resources will be focused on these goals while we aggressively seek new opportunities for growth.

JOHNSONVILLE FOODS

From 1978 to 1988, Johnsonville Foods in Sheboygan, Wisconsin, underwent a change perhaps even more profound than that at Bay City. Johnsonville grew from a good little sausage company to a great one with an estimated four-fold jump in the privately held company's local market share. In addition, the company began to establish a nationwide presence, subcontracting for several industry giants. That adds up to an estimated 2,000 percent growth in the ten-year period. (Even the name change reflects the company's growth. Until 1987, the company was called Johnsonville Sausage. That year, Johnsonville acquired a pasta company and changed its name to reflect its new position.)

This rapid growth was prompted by President Ralph Stayer's turning his business over to the 500 Johnsonville "members." (Johnsonville does not use the term "employee.") Today, members run the company. Organized in teams, they recruit, hire, train, evaluate and fire co-workers. They develop and implement performance measures, propose capital improvements, redesign packaging and even start up whole new lines of business.

Vital to the company's transformation was Stayer's commitment to continuous lifelong learning. The company encourages members to take an intensive month-long economics course taught by a professor from a local college and gives every member at least \$100 each year to support personal learning goals. Even the pay incentives emphasize learning. There hasn't been one across-the-board pay raise at Johnsonville since 1982 — but every time members increase their expertise and take on more responsibility, they get a small hourly raise.

Johnsonville's changeover was not an easy process. It took five years for members to "buy in" to Stayer's new philosophy. In fact, some members — even 20-year veterans of the company — couldn't make the change and left Johnsonville. But those that did — and do — believe are now "instruments of their own destiny," a favorite phrase of Stayer.

JOHNSONVILLE SAUSAGE, INC.

MISSION STATEMENT

We, here at Johnsonville, have a moral responsibility to become the best sausage company ever established. We will accomplish this as each one of us becomes better than anyone else at serving the best interest of all those who see us as a means to an end. We will accomplish our mission by setting near-term objectives and long-term goals that will require superlative performance by each of us. We will change any objectives or goals that no longer meet these requirements to ones that do. We understand that this is a never-ending process. This is The Johnsonville Way, and we are committed to it.



HARLEY-DAVIDSON

As recently as 1981, bikers used to say, "Never buy a Harley. Buy two and keep the box." The second bike was used as a source of parts, and the box it came in was to go under the bike to catch all the oil leaks. Harley-Davidson Chairman Vaughn Beals describes it this way: "We had the lousiest machining centers in the motorcycle industry anywhere in the world, including India and Malaysia."

No wonder Harley was losing out to Honda, Kawasaki and Yamaha. In 1981, for the first time in company history, Harley's U.S. sales fell to second place in the super-heavyweight class of motorcycles. With mounting losses, the company faced bankruptcy. In desperation, Harley convinced the Reagan Administration and the International Trade Commission that Japanese motorcycle manufacturers were "dumping" excess inventory in the U.S. at a rate that would drive the company out of business. Consequently, the government granted Harley a five-year tariff on heavyweight motorcycles that would end in April 1988.

But in March 1987, Harley asked President Reagan to lift the protection a year early. Despite the fact that the tariff had proved to be of limited assistance (Honda and Kawasaki began assembling heavyweight bikes in the U.S., and Yamaha and Suzuki designed models slightly below the heavyweight limit), Harley had bounced back. Beals could proudly state, "Today we have the very best machining centers in the world, better than Honda or Kawasaki."

The punchline is that they are the same machining centers. It's the *people* who have changed.

Seven years ago, numbers and quotas ruled the workers at Harley. Today, the workers rule the numbers and, in turn, use them to rule the process. In 1983, for example, the York, Pennsylvania, plant had 27 production schedulers and nothing went out on time. Five years later, there was one scheduler and everything went out on time. Line workers became involved in redesigning their work, then calling suppliers for quality reviews, performing analyses of all aspects of the business and even making presentations to top management about problems and opportunities.



Our Mission

Our Company's Most Valuable Resource

Is It's People.

Therefore, Our Purpose Is To Create An Atmosphere
Which Affords Individuals The Opportunity To
Reach Their Maximum Growth Potential.

JULIA B. THAYER HIGH SCHOOL

The Julia B. Thayer High School in rural Winchester, New Hampshire, is a tough public school. Starting salary for teachers there is \$15,000 a year, ranking New Hampshire 42nd out of 50 states. Seven years ago, the school was filthy, teachers were demoralized, and the students were known in the community as under-educated discipline problems.

Today 50 percent of Thayer's graduating seniors go on to some kind of post-secondary education. More important, in the eyes of Principal Dennis Littky, is the fact that 99 percent of the graduates have *choices*. Like the workers at Bay City, the members at Johnsonville and the men and women at Harley-Davidson, the students and teachers are engaged in the process, in this case, of education. Teachers enjoy teaching, and students are learning, not just being forced through the coursework.

Littky treats his students and teachers with respect. Unlike most principals, he spends lots of time with them and knows them all, not just the few very good and very bad students. In return, Littky demands that students respect him and each other. Where once the halls and bathrooms were covered with graffiti and the boards with demerit notices, Thayer today is spanking clean and decorated with student murals and records of accomplishments.

At most schools, principals are cops or administrators, but at Thayer Dennis Littky is an educator, coach, prodder and nurturer for 300 seventh- to twelfth-grade students. He is highly visible, dropping in on 15 classes every day, taking time along the way to solve an algebra problem or brush up on his grammar skills. He walks the halls, pulling students aside for a word of encouragement — or warning if necessary. He meets with two teachers every day to talk about classrooms and curriculums. In between classes and at the end of the school day, he daily has a total of 50 quick, focused conversations with students, keeping his fingers on the pulse of learning and showing interest and respect.

Thayer High School

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239-4381 or 239-4588

DR. DENNIS LITTKY
PRINCIPAL

MR. DALE COURTNEY
ASSISTANT PRINCIPAL

MR. JAMES E. POWLEY
GUIDANCE COUNSELOR

PHILOSOPHY AND GOALS OF THAYER JR/SR HIGH SCHOOL 1986

We want to prepare our students to think, reason, produce, be responsible, achieve, communicate and to be happy. We want to challenge the minds of all our youngsters. We want to develop the desire for and the skills necessary for continuous learning. We must educate our children in the most appropriate way so that they can become the best they can be. We want all of our students to choose a place in life rather than be forced into one because they lack skills.

Our students must master a range of critical skills and assume a part of the task of learning. They must learn to live productively in a world which is constantly changing. The curriculum must grow from the basics and then present situations where students can use these basics to develop answers to real problems and to cope with new ideas.

Each young person should meet with success in some area of studies. The school must be a place where the student sees relevance in what he or she is being asked to learn. The student must be involved in the process of learning, working independently and posing thoughtful questions.

During the school experience each student will be encouraged to develop a personal set of positive values and learn to deal with adversity and move forward positively.

The school must have a variety of ways to facilitate learning, i.e. coaching, Socratic questioning, as well as a variety of ways for measuring mastery. We must educate the intellect and develop the character. It is not information that is important, but the use of it. We must be selective in our teaching and teach thoroughly.

Our school must have common goals but still must personalize the work with students. Each student has the opportunity to learn outside the school through an apprentice program. Thus present skills are tested and new skills learned in our changing world. The school must show respect for the adolescents and build on their strengths. There must be high expectations and an adult level of accountability. School must be a place where there is a seriousness about learning without fear. The climate must be one that is positive with a healthy tension. The teachers and students should be working together for common goals.

The needs of each student should be the factor that decides how we get on with our business. There must be flexible, simple structures that allow teachers to facilitate significant learning by the students.

In summary, we teach the development of intellectual and problem solving skills, the acquisition of knowledge and the understanding of ideas and values.

OWNERSHIP

One thing shared by all 4,000 leaders in the program is a feeling of ownership. As Peters describes his visit to Bay City, "... [T]hey owned this stuff. It was theirs: their numbers, their plant, their 25 square feet. Every problem was their problem."

The people at Bay City, Johnsonville Foods, Harley-Davidson and Thayer High School are all fully engaged in their work, whether it is making camshafts, sausages or motorcycles or teaching and learning history. They don't have what one worker at Bay City referred to as "that hourly feeling" of being a cog in a machine without control or understanding.

The workers at Harley and Bay City are seasoned veterans, union members. And both places used to operate with a "park-your-brain-at the door" attitude toward workers. At Johnsonville Foods, the average worker is a high-school graduate. At Thayer, students come from a Rust Belt community with high unemployment, not an atmosphere that usually fosters an appreciation of learning. None of these workers, students or teachers have a piece of paper saying the business belongs to them, but in every way that matters, they have become owners.

How did this sense of ownership develop? It started when a leader gave up some of his or her power or shared information which managers are used to hoarding. At Bay City, Pat Carrigan encouraged hourly workers to visit the administration building so they could come to her or to any manager for the information they needed to do their job. Members of work teams there also were given the right to sign each other out without a supervisor's permission.

This information- and power-sharing works at Thayer High School, too, where in some courses, outlines and final exams are given to students on the first day of class. Throughout the semester, the students take the same exam again and again. Why? Littky and Thayer teachers believe that students should not be tricked by exams; instead, they should be able to demonstrate a growing depth and range of knowledge through them.

By sharing power and information, leaders essentially are giving workers the tools to do their job — and then demanding that they do it. For example, at all three businesses, workers are intensively trained in statistical process control methods. That information, more than anything, is the tool they need to do their

work as leaders. Having that information makes the difference between just blindly following the boss's orders and controlling, evaluating and improving their own performance. The workers at Johnsonville, Bay City and Harley-Davidson do their own quality control and inspection — and they constantly improve the work process.

Too often, workers don't have the information with which to judge how their part of the business is performing and how their seemingly small part contributes to the whole picture. Likewise, they may not have the power to fix a problem or to suggest an improvement, even in their own area. At Harley-Davidson, workers have a direct telephone line to the plant manager. Their problems are the company's problems and vice versa. If workers can't solve them on the spot, then they can go to the top for a solution.

At Bay City, Pat Carrigan took the lead and shared her power, work and information with all workers, and they responded by becoming fully involved. They became owners and therefore leaders in their own right. As Peters observes, "Suddenly, the pent-up energy of 2,000 energetic, creative, intelligent, thoughtful adult human beings was put in the service of making better products — and by the way, holding onto a job — which doesn't hurt."

DISCUSSION TOPICS AND EXERCISES

1. Do the people in your organization feel as if they own the place? Spend a couple of days, preferably a week, working a regular shift. As you're working, ask co-workers what can be done to improve the job and what specific barriers prevent them from doing a better job or taking initiative. What information, skills or authority could you give them that would help them do their job better? At Thayer, students in some courses get the course outline and final exam to take home on the first day of class. At Harley, Bay City and Johnsonville, courses in statistical process control and problem-solving methods have given workers a sense of ownership. They know how to evaluate — and improve — their own work.

2. Does everyone in your organization know everything about it? Does everyone read the annual report? Are you confident

that everyone can understand the information presented in your annual report? Consider organizing a short course in business economics like the one taught at Johnsonville. Are productivity figures and customer-satisfaction indexes posted prominently? At Bay City, monthly quality and production results are posted in a plant hallway for all to see and study. (Before Pat Carrigan arrived, those figures were circulated only to management and often kept in locked drawers!)

3. Information workers need doesn't have to come from the top. At Bay City, hourly workers can — and are expected to — call on staff accountants to help them analyze the cost and benefits of their proposals for improving work processes or machinery. How about getting machine operators and engineers together for regular improvement sessions? How about putting customer-service people together with marketing or R&D staff members?

Chaparral Steel

Chaparral Steel of Midlothian, Texas, has the lowest costs in the U.S. steel industry, and has productivity figures that eclipse even those of Asian competitors. The company is relentlessly innovative and customer-focused. But one of the keys to its outstanding success is that everyone is part of the action. According to Founder and President Gordon Forward, "We expect everyone to act like an owner."

"It's really amazing what people can do when you let them," he continues. "Take our security guards, for example. Normally, when you think of security guards at four o'clock in the morning, they're doing everything they can just to stay awake. Well, ours also enter data into our computer — order entry, things like that. They put the day's quality results into the computer system each night. We upgraded the job and made a very clear decision not to hire some sleepy old guy to sit and stare at the factory gate all night. Our guards are paramedics; they run the ambulance; they fill up the fire extinguishers; they do the checks on the plan. Now we're even considering some accounting functions."

From "Wide-Open Management at Chaparral Steel" by Gordon Forward, interviewed by Alan M. Kantrow, *Harvard Business Review*, May/June 1986.

PROGRAMS TO CREATE OWNERSHIP

FOCUS: The building blocks of ownership, whether at Bay City, Johnsonville, Harley-Davidson or Thayer High School, are much the same. The men and women at each place share an explicit vision of their organization, its goals and purpose. Their progress is rigorously measured, by standards they not only endorse, but create. The forms may vary from place to place, but in all four organi-

zations, ownership enables people to take on leadership responsibilities and to become full partners in transforming their organizations.

DIRECTIONS: Here are nine ways in which the four organizations support ownership among all people at all levels. Not every organization uses all these methods, but each one of the four has a number of impor-

tant ways of making its members feel they are owners, and in making them feel like owners, enable them to act like leaders.

In the spaces provided below, list the ways in which your organization encourages ownership in each of the categories. Include all programs, big and small, that recognize and encourage ownership.

■ information-sharing (statistical process control courses, business economics)

■ few bureaucratic barriers (direct line to plant manager)

■ direct contact with market (visits with suppliers, customers)

■ autonomy and self-managing teams

■ common vision

■ respect and trust (treated like adults)

■ responsibility (tough, self-managed controls)

■ involvement in continuous improvement of work process

■ profit-sharing

WORK TEAMS

Well-trained, self-managing teams are the basic organizational building blocks at Bay City, Johnsonville and Harley-Davidson (and at Thayer High School, team teaching is being introduced). They also are key to releasing the tremendous leadership potential and awesome improvements in quality, productivity and profits at these places. One of the teams at Bay City, the 135 Group, in a period of only 17 short months has raised its production by 60 percent and lowered defects by 45 percent.

On a voluntary basis, Bay City is organized into self-managing teams. They started this way: As Pat Carrigan began to share information about plant operation, workers became encouraged to find ways to manage their work areas more efficiently. Carrigan did not force workers into teams. Instead, when problems arose, workers would bring them to her attention. Rather than taking responsibility for the problems, she kicked it back, saying, "Why don't you get together and chat about it?" Informal teams then formed, focused on specific tasks and problems. Today, the plant boasts 11 self-managing work groups. The 135 Group has installed a hot line in their work area, which links them directly to their customer, an assembly plant in Toledo, Ohio. When a scheduling or quality problem arises, a Toledo worker calls a Bay City worker directly. In most cases, the problem is solved without bother or bureaucracy.

At Johnsonville Foods, the work team concept is pushed even further. In addition to hiring and training, as noted earlier, teams at Johnsonville do their own inspection and quality control and develop new products and packaging. Those with the best taste buds even do blind taste-testing of their own and competitors' products. Teams at Johnsonville develop their own quantitative standards for productivity and quality.

The absence of formal structure frees the leadership capacities of members, and it actually results in higher standards of performance than would ever be set by a centralized bureaucracy. Johnsonville President Ralph Stayer sums it up: "These levels of performance are developed by the people on the line. They know what they can do. . . . They don't want to work harder, they want to work smarter. They want to work cheaper. They want their compensation to go up, and they know the only way to do that is by having the productivity go up." (Every six months, teams receive a bonus based on the company's performance.) And the teams' standards *do* continue to rise. Again,

says Stayer, "Why would you want to do anything, innovate anything, improve anything if the standards weren't already high? If the goals aren't high, if the expectations aren't high, where's the necessity to make changes and to improve?"

At the unionized Harley-Davidson plant in York, Pennsylvania, many workers are members of a team. Each team makes decisions and solves problems as they arise. As Tom Gelb, senior vice president of manufacturing and engineering, explains, team presentations to management often go this way: "Here's the problem, here's our solution. And by the way, we implemented it last week and it's already saving you money." As one worker says, "We're part of the company. Whether we've got a title or not, we're responsible for the product." As a result of this work-team approach, Harley has regained, mostly at Honda's expense, 40 percent of the market for over-850 cc bikes, the only kind it makes. (And they were up to 54 percent in the first two months of 1988.)

The push for team-building means a profound change in the role of middle managers and especially first-level supervisors. When the power for decision-making and problem-solving resides in the team, supervisors must become coaches, not cops. Two Johnsonville coordinators (that's what they call managers or supervisors at the firm) explain how the team concept works. Chris Salm says, "If I hire the people and fire the people, they're not going to get the people that they can work with the best and that can put out the best product most efficiently." Jim Gebler adds, "... [W]e're teachers. We help people grow. ... My main goal is to help people grow so they can handle all the situations in the plant on their own."

DISCUSSION TOPICS AND EXERCISES

1. Review your own history. Think of a time when you were part of a really top-notch team, whose achievements you still remember. It may have been a task force at work, a sports team or even a Boy or Girl Scout troop. Jot down the qualities that made that experience special. Note especially the role of the leader. (You also could take note of an outstanding negative example in your past — a team that seemed promising, but just didn't work.)

2. The next time a problem arises in your area, put together a team to "chat about it." Provide support, in the form of all the needed information and the authority to make some changes, but don't appoint yourself "chief." Delegation is a difficult task, one Ralph Stayer practices brilliantly. When members bring a problem to him, he tells them to find a solution — to do what they think is right.

3. If possible, visit a local business, factory or operations center that has a good team-participation program. Observe and take careful notes. Invite the group you visited to your place and ask them how you can start a similar program. Johnsonville has been visited by such giants as 3M and General Mills, and workers at Bay City often visit other GM plants.

Team Taurus

Ford Motor Company changed the habits of a lifetime in developing the new Taurus and Sable automobiles. From the beginning, the company put together a development team, called "Team Taurus," with people from the manufacturing, design, engineering, sales, purchasing, service, marketing and legal departments.

The team consulted hourly workers to find out how to make a car that was easier to build. They consulted insurance companies to find out how to design a car that could be repaired less expensively. Suppliers made exciting contributions, too. (One lighting firm came up with special interior lights that cut down on the glare in the driver's eyes. A plastics company devised an optional fold-out tray for station wagon tailgate parties.) Finally, customers were polled to find out what they looked for in a car.

The result is best-selling cars that won widespread praise for quality and design and that came in under budget by \$500,000!

WORK TEAMS: HOW DO YOU COMPARE?

FOCUS: Self-managing work teams are a big part of the magic of wholesale worker involvement at Bay City, Johnsonville and Harley-Davidson. Unencumbered by layers of bureaucracy and the need to do it the way it's always been done,

teams are fast, flexible, innovative problem-solvers. And if the balance sheets at these three companies are any measure, they are a powerful force in the competitive battle.

DIRECTIONS: Here's a list of

some of the many things for which teams are responsible at Bay City, Johnsonville and Harley. In how many ways does your organization harness the power of work teams? Use the boxes below to record your thoughts and observations.

☐ RECRUIT AND HIRE — AND FIRE — TEAM MEMBERS

☐ TRAIN AND EVALUATE TEAM MEMBERS

☐ DEVELOP MEASUREMENT STANDARDS

☐ MONITOR QUALITY AND PRODUCTIVITY STANDARDS

☐ PROPOSE NEW CAPITAL AND PROCESS IMPROVEMENTS

☐ MAKE CUSTOMER VISITS

☐ NEGOTIATE WITH SUPPLIERS

☐ MAKE PRESENTATIONS TO MANAGEMENT

☐ PROPOSE NEW BUSINESS VENTURES

CONTINUOUS LEARNING

Leadership is a process, not an achievement. It requires growth. The 4,000 leaders of Bay City, Johnsonville, Harley-Davidson and Thayer High School are all growing, and the fuel for their growth is constant learning.

It's not surprising to find continuous learning in the statement of goals for a high school. And Thayer's one-page philosophy and goals statement prepared by the principal, teachers, students, parents and community members indeed reads, "We want to develop the desire for and skills necessary for continuous learning. We must educate our children in the most appropriate way so that they can become the best they can be."

But commitment to learning is critical to the other three organizations as well. Training in problem-solving techniques and statistical process control methods for hourly workers aided the amazing turnarounds at Bay City and Harley-Davidson.

The extraordinary power of lifelong learning can best be seen at Johnsonville Foods. When Stayer explains Johnsonville's mission, the company sounds more like a college than a sausage plant: "We're here to give you [the Johnsonville member] an opportunity to achieve whatever it is you want to achieve in life. We'll also help you figure out what that is, we'll give you the resources to do it and we'll give you a little push in that direction. If you don't have a goal, if you don't see yourself improving, you're not going to make it here. It's that simple."

Johnsonville also supports any course of study, job related or not. Every year, the company gives each member at least \$100 as a kind of educational bonus. Johnsonville's commitment to learning makes good business sense, as one member explains: "Look, anything you learn means you're using your head more. You're engaged. And if you're more engaged, then the chances are you'll make better sausage."

DISCUSSION TOPICS AND EXERCISES

1. At the minimum, how serious is your company's commitment to training? Is there appropriate training for everyone at all levels? Is the training budget the first to go in hard times? At IBM, training is a powerful support. In 1986, an IBM ad featured a worker who had undergone major retraining a half-dozen times in his 25-year career.

2. Review your own work history. In the course of your professional life, what have you learned that has made you most effective? Where did you learn it? How much of your own time or money have you invested in improving your skills and broadening your outlook?

3. How extensive is your organization's support for learning? How does the organization justify its expenses in supporting non-job-related courses? Some companies provide money toward the college education of workers' children, though not the workers themselves, and justify this as an employee benefit or a reward for loyalty. At Johnsonville, members can apply to the scholarship committee (made up of other members, naturally) for money for their own college educations, as well as their children's. Stayer justifies the expense not in terms of company productivity, but in terms of members' personal growth. And, the balance sheet has never looked better.

Continuous Learning Programs

Here are a few outstandingly successful firms that are thriving because of their continuous learning programs.

- Milliken & Company, the \$2 billion textile giant, provides 22 weeks of in-class training for rag (shop towel) salespeople.
- The Nissan plant in Smyrna, Tennessee, spent \$63 million training 2,000 workers before the plant started operation.
- Grocer Stew Leonard of Norwalk, Connecticut, will send any employee (even a high-school part-timer) to a 14-week Dale Carnegie course. More than 800 employees have graduated, and their photos adorn a wall in the store.
- Tennant Company, the Minneapolis-based maker of industrial floor-maintenance equipment and finishes, has tripled its sales and watched net income rise 65 percent in the last decade. How has a heavy manufacturer in the heart of the Rust Belt prospered? According to Chairman Roger Hale, the firm's gains (in profit and quality) are due to training. Tennant spends about \$500,000 a year on 35 classes in statistical process control, hydraulic torque and wiring theory as well as managing personal growth, listening and positive feedback. In addition, Tennant spent some \$80,000 in 1987 to support employees' further learning.

RECOGNIZING, REWARDING AND REINFORCING LEARNING

FOCUS: Continuous lifelong learning is a key part of the mission not only of Thayer High School, where education is the organization's business, but also of Johnsonville Foods. Similarly, at Bay City and Harley-

Davidson, the amount of training, education and information-sharing is staggering.

DIRECTIONS: Here are some ways in which all four organizations recognize, reward and re-

inforce the need for highly skilled, highly trained and well-informed workers. Opposite each entry is space to fill in information about existing programs or to make notes on programs you might initiate.

Bay City

Our Organization

- statistical process control training
- accounting people share information

Johnsonville

Our Organization

- pay incentives tied directly to learning
- basic economics course for everyone
- company subsidizes all education programs

Harley-Davidson

Our Organization

- 40-hour statistical process control training
- workers call directly on suppliers, customers for needed information

Thayer High School

Our Organization

- course outline available at first class
- students can "try it" with special learning projects,

SELF-ESTEEM

By sharing power and information, by giving people control over their own work lives, by building a common vision and by helping people grow through supporting lifelong learning, effective leaders create an atmosphere of trust and respect: They nurture self-esteem.

Building self-esteem is necessary for workers to feel strong and capable, to contribute as partners — in short, to become leaders themselves.

Surprisingly, removing the little barriers to self-esteem makes the biggest impression. Think of Pat Carrigan's efforts at Bay City. First, she shook everyone's hand when she arrived. Hardly a monumental event. Yet, in the memories of some 25-year veterans there, she was the first plant manager to make the effort. Then she turned the two executive lunchrooms into conference and training rooms. Now everyone eats in the same brightly painted lunchroom. She gave the power to sign "pass-outs" to hourly workers so that they no longer have to find a supervisor to get permission to go to the bathroom or to leave the plant. She allowed hourly workers to sign each other's time cards. She encouraged hourly workers to go into the "administrative" area and come to management for help. Step by step, Carrigan removed the little humiliations. Only then, when workers were treated with respect, could she appeal to them as partners to make a go of the business.

Of course, the big marks of respect are critical, too. At Harley-Davidson, as discussed earlier, workers were once putting out 80 to 90 percent defective parts. Today, they work in teams, responsible for their own constantly rising quality and production standards, and most important, for their own improvements. Like their counterparts at Johnsonville, Harley workers propose new capital projects and redesigns, they do the research and analysis and make presentations to management — not a common experience in industrial America, but one that indicates Harley's deep respect for the men and women who make the motorcycles.

At Thayer High School, Principal Dennis Littky talks about the four "Rs": reading, 'riting, 'rithmetic and responsibility. He might as well add a fifth "R": *respect*. In fact, Thayer's rulebook is built on one general principle: Everyone shall respect everyone else. That's the foundation of student and teacher self-esteem

and the major cause of outstanding improvement in students' academic performance.

Respect and self-esteem are evident everywhere at Thayer. Most students don't lock their lockers, yet few valuables are stolen. In 1981, when Littky arrived, the school was dirty and defaced. Today, the same building is clean and colorful, and many of the halls and classrooms boast murals painted by students. The cafeteria/study hall at Thayer, as in many American high schools, was a particular disgrace when Littky came on board. After all, it was where kids spent detention, gouging out desks and throwing food at the ceilings. Littky had the room painted white and asked a former student to paint a mural on the wall. The student painted a beautiful Pegasus, which has survived since then without a blemish.

DISCUSSION TOPICS AND EXERCISES

1. The first mark of self-esteem is trust. Examine your own attitudes and practices. Do you show your co-workers that you trust and support them? Do you give them support, direction, the resources and information they need to do a good job, one that they can feel proud of? Do you believe that your co-workers have potential that's "damn near infinite," in the words of Vaughn Beals? Recall that a secretary at Johnsonville was encouraged to start a mail-order sausage business, which now brings in more than a million dollars a year.

2. Successful leaders listen. Pat Carrigan, Ralph Stayer and Dennis Littky all have explicit open-door policies. Carrigan, as well as Stayer and Littky, is often out of her office, wandering the shop floor, the halls, getting close to the action, listening. Dennis Littky visits 15 classes every day, taking part in the classwork. When he joins students at work, he kneels, so that he's on the students' level.

When was the last time you got a suggestion, talked it over with the suggester and implemented it? When was the last time you heard some gripes and fixed them? When was the last time you asked your co-workers what you could do for them, and then listened? You also can listen by putting yourself in your co-workers' shoes. Work a shift alongside them and make careful note of all the little rules, regulations and procedures that make them feel less than adult.

3. Examine your "perks." What kind of messages about respect and self-esteem do they send to hourly people? It's illogical to demand dedication and involvement from co-workers from the vantage point of an executive dining room or a reserved parking space, or in a ringing mission statement crafted in a bungalow in Hawaii while co-workers trudge through the Detroit winter. The best "perks" include, rather than exclude, people. At Johnsonville, members have a reading room. At Bay City, workers can take a company-sponsored aerobics class. At Harley, they've eliminated reserved parking for executives.

4. Eliminate the "Mickey Mouse." Trivial rules smack of distrust and contempt. Does your company require a complicated petty cash receipt for a stamp to send a letter to a customer? Do you require a supervisor's signature for an hourly worker to get a screwdriver from the supply room? Do executives have name tags with "Ms. Smith" on them while hourlies have name tags with "Sally"? Set a quantitative goal for eliminating these little marks of disrespect. Remove ten marks in the next two months. You might even make this a team effort. At the B. F. Goodrich plant in Lawton, Oklahoma, there's a special "Gnat Patrol" that seeks out and "swats" those little annoying rules and regulations.

5. Recognize your heroes. There isn't a human being on the face of the earth who feels he or she gets enough recognition. It doesn't have to be more than a pat on the back for a job well done. At the close of every school day, Dennis Littky stands at the front door of Thayer and talks to his exiting students. Sometimes the conversation involves a warning, sometimes a pat on the back. Either way, it's recognition. At Bay City, Pat Carrigan has instituted monthly Quality Flag awards for the person or department making the greatest contribution to overall quality during the preceding month. Winners have their names inscribed on a permanent plaque and can proudly display the quality flag for the month. Being an involved partner is voluntary, and recognition is respect for the effort.

6. Rules and regulations, no matter how well intentioned, are no substitute for respect. At Nordstrom, the \$2-billion Seattle-based retailer, the entire policy manual reads, "Use your own best judgment at all times." Remember Dennis Littky's policy, "Everyone shall respect everyone else." Littky also observes that most rules are written for rulebreakers, not the 99 percent who are members of the community in good standing. Every time

you're tempted to add a rule or establish a new procedure, ask yourself what this rule means for the good citizen.

Building Self-Esteem

There is no better description of how leaders give respect and build self-esteem than the following, taken from a speech by General Melvin Zais, U.S. Army (Retired), to the Armed Forces Staff College.

"You cannot expect a soldier to be a proud soldier if you humiliate him. You cannot expect him to be brave if you abuse and cower him. You cannot expect him to be strong if you break him. You cannot ask for respect and obedience and willingness to assault hot landing zones, hump back-breaking ridges, destroy dug-in emplacements if your soldier has not been treated with respect and dignity which fosters unit esprit and personal pride. . . . It is because judgment and concern for people and human relations are involved in leadership that only men can lead, and not computers. I enjoin you to be ever alert to the pitfalls of too much authority. Beware that you do not fall into the category of the little man, with a little job, with a big head. In essence, be considerate, treat your subordinates right, and they will literally die for you."

MARKS OF RESPECT: HOW ARE YOU DOING?

FOCUS: Self-esteem is built on a thousand little marks of respect — and can be destroyed by any one of a thousand little marks of disrespect. Sometimes, marks of respect for some people in an organization (usually the few at the top) are

marks of disrespect for others. Listed below are some of the little marks of respect which the four featured organizations instituted and the little marks of disrespect they eliminated.

DIRECTIONS: In the diagram

below, jot down the little marks of respect you and your company make that build self-esteem across the board. Remember, a reserved parking space for executives may function as respect for the few and disrespect for the many.

THE LITTLE MARKS OF RESPECT

Bay City

- Carrigan shakes hands with everyone
- executive dining rooms turned into conference and training rooms
- union rep and plant manager are "partners"
- salaried areas open to hourly people

Johnsonville

- all employees called "members"
- Stayer takes his name off the business
- support for member learning
- secretary starts business

Harley-Davidson

- no more reserved executive parking
- direct line to plant manager

Thayer High School

- student-painted murals
- reduce 400-page rulebook to 4 pages
- trust: "try it" attitude

Our Organization:

- _____
- _____
- _____
- _____
- _____
- _____
- _____

VISION AND VALUES

Effective leaders give up a lot — information, day-to-day control and *power* — in order to make leaders of their followers. One responsibility that leaders cannot give up is providing a vision for their group. All four organizations have clear visions — shared by everyone in the organization — of their common goals, philosophy, values and purpose. These visions provide a strong sense of direction, a necessary framework. Each company's unique vision and core values also inspire workers and ennoble their efforts, helping them realize their potential as leaders.

The case of Dennis Littky illustrates this best. Before Littky arrived at Thayer, there were lots of rules and regulations, and everyone was in trouble constantly for abusing them. Littky got teachers, administrators, students, school board members and interested people in the community together to write a one-page statement called, "The Philosophy and Goals of Thayer Junior/Senior High School." Over the next year and a half, in school assemblies and committee meetings, people worked on writing the statement.

Now students know they can expect respect and a personalized education program in which learning is relevant. Teachers and administrators can expect serious students with adult levels of accountability. Along with establishing this statement of goals, Littky led an effort to revise Thayer's rulebook. Before, with many rules, even the best students were bound to get into trouble. Today, there are four main rules, based on the idea that everyone should respect everyone else, and disciplinary measures have never been used so little at the school.

For the four organizations featured in *The Leadership Alliance*, a clear and inspiring vision provides the yardstick against which everyone measures the thousand decisions, innovations and actions that every day demands. It also sets the tone for how people in those organizations treat each other. Read Harley-Davidson's mission statement, and you will see that the people of Harley are the one and only focus. They wrote it, they mean it and they *live* it. At Johnsonville, as well as at companies like Hewlett-Packard and 3M, employees speak of The Johnsonville (or HP or 3M) Way. It makes the company, the workers and their work *special*.

The common vision allows leaders to turn over responsibility and authority to others to do their work without second-guessing. A clear vision makes the 400-page policy manual or rulebook unne-

cessary. Think of Ralph Stayer's job description: "I wouldn't say I run the place. . . . I'm in charge of philosophy, I'm in charge of setting the standards, making sure we are on the right track. I'm in charge of defining the values."

Although leaders must be responsible for the vision, they cannot make or write the vision statement in a vacuum. Composing the statement must be a consensus process. As noted earlier, Dennis Littky made the writing of the philosophy and goals of the Julia B. Thayer High School a year-long process, involving teachers, students, parents, as well as the school board and community members. Ralph Stayer wrote the Johnsonville mission statement and then spent six months reviewing and revising it with members. At Bay City, representatives of union and management went off-site for a special meeting to write the mission statement.

DISCUSSION TOPICS AND EXERCISES

1. Look outside your work place at organizations to which you belong that serve a "higher" purpose. Think of that Sunday school class or service organization. How did its purpose enable group members to work effectively together?
2. What are your own professional values? To what kind of organization do you want to belong? Use your imagination to design a utopian business. You might start by making two lists: (1) everything that's right about every organization you've ever served or led and (2) everything that's wrong about every organization you've ever led or served. Communication? Bureaucracy? Little signs of respect (or disrespect) for employees, customers and suppliers?
3. If you have the time, expand on the exercise above. Call together a small group (say, six to eight co-workers) and ask them to develop a list of the ten best and worst qualities of organizations in which they've worked. Then, together clarify one common description of the best your organization can be, drawing on these positive and negative examples. As a leader, your job is to listen, listen, listen. Take a stab at writing a draft of your organization's or group's vision statement and circulate it throughout the group for comment. When you have a statement that everyone supports, post it with a pen attached for corrections, additions and comments. Make any changes and then sign it boldly and ask others to sign it, too.

Apple Computer

Apple Computer, the \$2-billion firm based in Cupertino, California, has had its ups and downs. Through the bad times and good, the Apple vision and values have helped keep the company on course. As one might expect, Apple values are as distinct as the company itself. For instance, one short paragraph reads, "Team spirit. We are all in it together, win or lose. We are enthusiastic!"

The values were written by a 12-person team made up of representatives from several levels and every function. The team spent four or five months mulling, talking, writing and listening before they produced a draft. The draft was reviewed at staff meetings and retreats until a final version was pulled together.

The values have served the company well, even in bad times. When Apple was forced to close its Dallas plant, then-Vice President of Manufacturing Debi Coleman flew down for the sad occasion. All the Apple employees were there wearing company T-shirts. They knew the closing was painful but necessary. They knew management had lived up to the Apple values. They knew they had good severance and job-placement packages. Consequently, production quotas were met from the time of the announcement to the day of the closing.

BUILDING YOUR OWN VISION

FOCUS: The stakeholders in Bay City, Johnsonville, Harley-Davidson and Thayer High School worked together to write their mission statements. The statements serve to point everyone in the same direction, to

provide inspiration and momentum.

Mission statements don't have to be reserved for whole organizations. A division, department or branch office can, indeed

should, have a clear and inspiring vision of a common purpose. Phil Turner, formerly facilities manager for Raychem Corporation, an electronics firm in Menlo Park, California, stated the mission for his group. His

THE MISSION

Bay City: The mission of Bay City is to manufacture world-class automotive components.

Johnsonville: We, here at Johnsonville, have a moral responsibility to become the best sausage company ever established.

Harley: Our purpose is to create an atmosphere which affords individuals the opportunity to reach their maximum growth potential.

Thayer: We want to prepare our students to think, reason, produce, be responsible, achieve, communicate and to be happy.

PEOPLE

Support for people:

- our company's most valuable resource
- we want all of our students to choose a place in life rather than be forced into one
- help employees reach their full potential

Standards for people:

- each one of us becomes better
- superlative performance by each of us
- support working together
- walk like they talk
- consistent, truthful and accept responsibility
- willing to listen and treat each other with respect
- take risks, are pro-active, utilize problem-solving techniques

statement didn't say that the group will clean and fix and mow and repair. Instead, the group's goal is to make people feel good.

includes some general categories and specific wording taken from the mission statements of the four organizations in *The Leadership Alliance*. Use the spaces below to compare them

to your organization's mission statement. Or, you may want to use this chart as a checklist in creating a mission statement for your company, department, group or even work team.

DIRECTIONS: The chart below

THE FUTURE

- *engage in continuous improvement in all aspects of our business*
- *setting near-term objectives and long-term goals*
- *a never-ending process*

ORGANIZATIONAL PERFORMANCE

- *the best sausage company ever established*
- *meeting our customers' quality, cost and delivery requirements*
- *maintaining a superior competitive-product position*
- *aggressively seek new opportunities for growth*

LEADERSHIP CONCERNS

FOCUS: Here is a list of key words and phrases culled from Tom Peters' interviews with Pat Carrigan, Ralph Stayer, Vaughn Beals and Dennis Littky. For each vital word or phrase, Peters rated its importance to the leaders on a scale of 1 (least important) to 10 (most important). Review the words, then rate how important they are to you. There's space for

you to add vital words of your own.

After you fill out the chart, ask yourself if you're sure you communicate your concerns as clearly as do these four leaders. Are you sure your concerns are clear to your co-workers? If your co-workers completed the chart for you, would the results be similar?

DIRECTIONS: On a separate page you might want to list all your "10s" and list all the ways in which you show your dedication to these actions and attitudes. Then, review what you've seen of the 4,000 leaders at Bay City, Johnsonville, Harley-Davidson and Thayer High, and add to the list some new actions you might take to make your leadership clearer.

Are you clearly communicating your concerns?

KEY WORDS	PAT CARRIGAN BAY CITY	DENNIS LITTKY THAYER HIGH	RALPH STAYER JOHNSONVILLE	VAUGHN BEALS HARLEY	YOU
<i>sharing information</i>	10	6	10	9	
<i>sharing power</i>	10	9	9	9	
<i>"try it"</i>	8	10	10	8	
<i>education</i>	7	10	10	9	
<i>statistical process control</i>	6	0	7	9	
<i>energy</i>	8	10	7	6	
<i>wander</i>	8	10	6	4	
<i>close to the customer</i>	6	10	6	8	
<i>tough</i>	9	9	9	9	

KEY WORDS	PAT CARRIGAN BAY CITY	DENNIS LITTKY THAYER HIGH	RALPH STAYER JOHNSONVILLE	VAUGHN BEALS HARLEY	YOU
<i>measure results</i>	8	8	10	8	
<i>vision/philosophy</i>	8	9	10	7	
<i>self-esteem</i>	10	10	10	10	
<i>listen</i>	10	10	8	7	
<i>develop top teams</i>	9	10	10	8	
<i>symbols</i>	9	9	8	7	
<i>empower</i>	9	10	10	9	
<i>crisis context</i>	9	7	4	10	



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