



DRIVING THE REVOLUTION

Leaders at all levels

Speed and customer orientation are the modern synonyms for corporate success – bad news for an organization that leaves all the important decisions to the residents of the executive suite. Wide awake to the problem, Ford Motor Company is encouraging managers at all levels to act like CEOs. At the company's own Leadership Development Center, managers are trained to play their part in driving what amounts to a corporate revolution.

by Annette Schäfer*

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Photos: Jeff Narozny/Ford Motor Company

You can hear the enthusiasm in her voice as Human Resources Manager Kristin Ebling presents her idea: "I want to build a huge Customer Infotainment Center where people can get first-hand experience of our products and tell us exactly what they really want." For his part, Jack Szpytman has an engineer's dream of the intelligent automobile that will adapt automatically to different drivers, setting their favorite radio station, their ideal seat position, their preferred interior climate. Finance Supervisor Keith Chong, meanwhile, wants to revolutionize parts sales: "Instead of expecting customers to make special trips to dealerships, we should be offering them the convenience of buying items like windshield wipers and oil filters from the comfort of their own homes via the Internet."

Quantum Idea Projects

B2C eParts business, fully integrated interior configuration systems, and customer infotainment – three great ideas. At other companies such schemes would be dreamed up by top management. But the men and

women presenting their ideas at the New Business Leader (NBL) seminar are still on the lower rungs of Ford's management ladder. Nevertheless, the company's top executives are expecting great things of them, concepts that will bring radical change to this tradition-bound giant. At Ford they refer to such concepts as Quantum Idea Projects (QIPs).

QIPs are no vain exercises in lateral thinking. There are no dry runs here. Over the next three months, the people attending the NBL seminar will be working hard to formulate and sell their ideas. They will be identifying contacts in parts of the company they never dealt with before right across the globe; they will be putting together teams and trying to convince managers way above them in the Ford hierarchy of the feasibility and sense of their ideas; and they will be reorganizing their day-to-day work to somehow free-up time and energy for their project efforts.

Some of the seminar participants will guide their concepts to fruition; others will watch them stutter to

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a halt or be forced to throw their plans overboard. But irrespective of the final outcome, the project work will transform these New Business Leaders who will emerge from the process more self-confident, more willing to take the initiative and more courageous than ever.

Manufacturing managers

It is not just cars that Ford turns out in large numbers. Two years back, the company went into the business of producing managers on an industrial scale. Last year alone, more than 2,000 employees from across all levels and functions were channeled through a major training program. This year another 2,000 will follow in their footsteps.

There is nothing new about executive development initiatives. Many would call them old hat. Perhaps that makes this initiative by Ford all the more remarkable. Most companies adopt an elitist approach. They select a handful of super-high-potentials and groom these chosen few for roles at the very top. "Our approach is democratic," underlines David Murphy, Vice President Human Resources, "we want good leaders and decision makers at all levels, not only at the top." For a company like Ford, this is a revolutionary statement. For decades the corporation was dominated by hierarchical, departmental thinking. Engineers were responsible for product design and functionality, happy to leave logistics and marketing to someone else. A plant manager in Detroit would not lose any sleep over the problems worrying his counterpart in Cologne. Trailblazing decisions and thinking outside the box were left strictly to top management.

No borderlines

This business model is defunct. Stability and local color have been replaced by speed and globalization. Customer preferences change faster than the weather. The drive to conquer market shares knows no borderlines, no time-outs and no mercy. Investors call for greater shareholder value and global strategies. "No

company can survive without having leaders at every level capable of fast decision-making," is the message that Ford CEO Jacques Nasser has been preaching ever since he took over in January 1999.

Nasser believes in practicing what he preaches: At world corporate headquarters in Dearborn outside Detroit, Ford has set up its own academy to train its managers from team leader level to top floor incumbents. Truth to tell, however, the Leadership Development Center (LDC) has little in common with a conventional academy. "As we develop Ford leaders to change the world," explains LDC's Director Stewart D. Friedman, "our vision is to be the center of the revolution."

Not everyone is born a Henry Ford, capable of transforming a nation through the vision of building an automobile for the masses. But on the other hand, an entrepreneurial spirit, a decisive mentality and innovative thinking are not the exclusive domain of a class of top managers. David Murphy for one is convinced that "Most people want to be leaders, not followers," although he does allow that "there are differences in the level of their confidence and aspiration."

I can make a difference

Kevin Brinks, for example, would never have dreamed he would one day initiate such an interesting project. A financial analyst in the Purchasing Controller's Office, Kevin had always been one of the quieter, more passive types. It was only on attending a course at the LDC that he discovered that he too possessed the quality known as entrepreneurial spirit. "Think big!" and "Get out of your comfort zone!" were the messages Kevin first heard from his trainers



at the LDC. This was new and exciting thinking, and the messages struck home, inspiring this reticent financial expert to take on a tricky and far-reaching issue as his course project: How can the old tires that Ford buys back in large numbers from dealerships be recycled in an environmentally responsible manner?

Today, Kevin Brinks' initiative is an extensive recycling program that promises to cut costs by as much as nine million dollars a year. Looking back, he recalls that "The experience that I can make a difference was unbelievable." Since that leadership seminar, this 36 year-old has been a changed man: "Today, I have a totally different mindset about my role and my contribution," says Kevin, "I feel empowered and valuable, I am not waiting for my next assignment, I create it myself."

Voicing the vision

It is transformations like this that Ford is looking to trigger at all levels of the company. One important

success factor here is the visible commitment of top management. CEO Jacques Nasser never tires of talking about his vision of flexible and permeable management structures and encouraging his colleagues to support the mold-breakers and innovators in the organization. For many people in lower and middle management, this credo is a breath of fresh air.

That said, it takes more than just words of encouragement to transform followers into leaders. At its leadership seminars, Ford applies a number of tried and tested methods of generating agents of change:

Action Learning: Every participant spends several months working on a real-life project, either alone or as part of a team. The projects must be of a 'transformational' nature, i.e. they must support the transformation of Ford into a customer and shareholder value oriented company, and they must have substantial economic potential. In the words of LDC Director Stew Friedman, "The projects challenge

people to expand their creative abilities and refine their critical thinking skills.”

Leader-Teacher: The courses are generally taught by Ford managers and not by professional trainers. For those taking part this means that gray theory is replaced by personal experience and proven methods, advocated by experienced executives. And as Renee Sears, Manager Engine-Engineering and occasional teacher at the LDC has found out, the teachers benefit just as much, if not more: “You learn leadership skills best by teaching them,” she confirms.

Feedback: Ford’s next-generation revolutionaries are provided with 360-degree feedback from trainers, fellow students, project mentors, superiors and colleagues. Even the Leader-Teachers get feedback on their coaching skills.

The Leadership Initiative is deliberately broad-based but the selection of participants is far from random. Invitations go out only to managers commended by their superiors and HR managers for way-above-average performance in their current roles and/or outstanding potential for future management positions.

Clear and consistent principles of this kind are essential if a whole corporation is to be kept supplied with exceptional executives and leaders. Other benchmark companies in executive development, such as General Electric, Hewlett-Packard and Shell International, apply similar principles. They open up their management development programs to high potentials from all levels of the company. They involve their best managers and top executives as teachers. And they believe in learning-by-doing through active involvement in innovative and important projects.

The residual risk

One risk, however, remains: Back in their everyday working environments, the former students soon run up against the familiar barriers and encrusted structures, and their newly awakened entrepreneurial spirit and incipient desire for change begin to falter. Ford is



Revolutionaries at work to drive Ford’s transformation to a client-oriented company.

well aware of the problem, and as David Murphy explains, “The activities of the Leadership Development Center are only one piece in a broader concept that aims to change the whole culture within the company.” Other pieces of the puzzle include a revised recruitment policy that assigns far higher priority to leadership skills than in the past; not to mention information and motivation cascades designed to help communicate corporate goals and values across the company. By way of example, in the past three years, one hundred thousand Ford employees all over the world have learned what the term ‘price-earnings ratio’ means.

By setting itself the goal of establishing leaders at all levels, Ford has kicked off a radical and sometimes problematic process of change. Thousands of managers asking critical questions and confidently making their own decisions; thousands of managers engaged in project work on innovative and exceptional concepts – for an old-established firm accustomed more to gentle evolution than sweeping revolution, that is a high hurdle. But top management at Ford has no doubts that all the effort will ultimately be worthwhile. To quote VP Human Resources David Murphy again, “If you have CEO-thinking at all levels, you are really effective and nimble, and you are going to be successful, really successful.” ■