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Learning from Saturn by Saul A. Rubinstein and Thomas A. Kochan, Ithaca, N.Y.: ILR Press, 2001, 156 pp., ISBN 0-8014-3873-X.

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#### Learning from Saturn

by Saul A. Rubinstein and Thomas A. Kochan, Ithaca, N.Y.: ILR Press, 2001, 156 pp., ISBN 0-8014-3873-X.

This is a jewel of a book: most informative, insightful and, in several respects, even endearing. This review will attempt to highlight some of its main features: the importance of the issues at stake, the ideas behind Saturn, the inner workings of this labour-management partnership, the ups and downs of reinventing the local union, the manage-

ment of Saturn's external boundaries and some impediments to learning within General Motors (GM) and the United Automobile Workers Union (UAW) and the lessons to be learned. This reviewer feels that the authors have achieved a scintillating success both in looking at this experiment openly, critically and in-depth on the basis of years

of superb research, and in conveying their results and judgments in a most readable and lively language.

The issues at stake stem from the fact that Saturn is often hailed as the boldest expression of a new labour relations model—in the United States at the least. This was certainly portrayed through the marketing slogan: "A New Kind of Car, A New Kind of Company," as well as through a prevailing perception of "A Different Kind of Union." To illustrate the novelties, let us mention the involvement of individuals through teams, the consensual inner workings of teams, a labour-management partnership of governance, the recognition of multiple stake holders including retailers, and a highly networked organization. The key question the authors seek to answer then is to what extent Saturn has been a success.

The ideas behind Saturn go back a half-century. They include the postwar adversarial relations, experiments in the 1970s in Quality of Working Life, GM's adventures in the 1980s in advanced technology, the set-up of NUMMI in 1982 by GM and Toyota and, finally, a joint GM-UAW study by the so-called "Committee of 99." Its findings were the basis of a 1985 GM-UAW Memorandum of Agreement on Saturn's organizing principle, fully five years before the first car rolled off the line in early 1990.

Not only does this 28-page Memorandum contrast with the 400 pages of the GM-UAW national agreement, it also reads as a "document in a foreign language." Some of its key features include: a "risk-and-reward" pay plan; teamwork with job rotation within the team; joint decision-making based on consensus principles; above the teams, co-management of modules of one hundred production employees by two advisors, one represented by the UAW, and the other not; and partnering in several functional staff areas, eventually

including 400 union members, which marks a far-reaching innovation in labour's on-line co-management. During the five start-up years prior to 1990, examples of critical union input into key decisions included product development, selection of suppliers, marketing and retailer relationships, work force selection, and training and development. In addition to several features of lean production, Saturn was also designed to embody a stakeholder firm and networked organization.

The inner workings of this partnership in action have been analyzed through extensive and conceptually rigorous field research. This has generated a wealth of information and led the authors to four main conclusions.

First, the self-directed nature of teams has made them the foundation of Saturn's success, which includes high motivation and high-quality work. A key factor in their effectiveness is the quality of support by module advisors. Teams do best under the following conditions: (1) when the module advisors communicate well with their peers, and this is an area where representative advisors do well; (2) when the two advisors balance the time they spend on people and production issues, such balance not being the same thing as equal time; and (3) when there is alignment between the two partners on priorities, responsibilities and accountability.

A second conclusion concerns the problems associated with off-line problem-solving work because of a lack of leadership in this area by engineers and middle managers. A third conclusion is that the turnover of managers may lower their commitment to the uniqueness of Saturn. While the member representatives and leaders have severed their ties to the GM seniority and transfer system, most managers and engineers retain their links to GM.

A fourth conclusion is that Saturn has demonstrated that it can achieve

world-class levels of quality and high productivity. But sustaining this high level of productivity over time has been a problem. After 1996, workers lost trust in Saturn and GM leadership in the absence of a commitment to a follow-on product for the Spring Hill plant.

The ups and downs of reinventing the local union have been another area of thorough investigation by the authors. Never an easy task, this is brilliantly done. The internal politics of vehicle assembly local unions in the UAW and its Canadian equivalent—the CAW have seldom been dull. Predictably, the Saturn local union is no exception. Almost one in five members has a position of leadership in the union, which constitutes an extremely high level of membership participation in the leadership ranks. For example, there are 700 elected team leaders and 400 jointly selected UAW module partners, crew coordinators and local union officials. Does the 1999 defeat of the founding president, after thirteen years at the helm, mean a rejection of partnership, as reported in the press? The authors disagree emphatically. First, in a democratic union, such a long tenure of personalized leadership is an invitation for change. Second, the issues involved entail delicate and multiple balances between the many different and, at times, conflicting roles assumed by a reinvented local union. Indeed, balancing these roles is viewed by the authors as a major challenge to any local union in a co-management environment. Balance may be the critical requirement: balance between collective representation and partnership on the one hand, and representation of individual members who have been wronged, on the other hand; balance between internal union democracy and the potential harm done to partnership by internal conflicts; balance between partnership and the mobilization required in collective bargaining.

The management of Saturn's external boundaries, according to Rubinstein

and Kochan, is directly related to the impediments to learning from Saturn in both GM and the UAW. From the start, the fact that it was a greenfield site and the recruitment of GM employees at Saturn were designed to break out of the traditional GM-UAW mold. The conditions for this experiment's successes have thus also contributed to impediments to learning. Moreover, difficult investment decisions and collective bargaining practices in North American vehicle markets have made the management of Saturn's external boundaries an arduous process. By and large, the authors agree with the public perception that both GM and the UAW have failed to learn from their experiences at Saturn.

The authors complete their task by looking to the future. They offer advice designed to bolster Saturn's strengths and reduce its shortcomings. Relations across the GM-UAW-Saturn boundaries should be managed better by all the parties. Because the shopfloor teams and modules are key building blocks, they should be reinforced even further through communications, alignment of views by the partners and a balance of focus between production and people issues. Off-line problem solving should be further developed as a source of continuous improvement and growing productivity. The leadership at Saturn needs to solve the generic paradox of leadership in a team-based culture and multistakeholder organization. Union leaders must keep from getting too isolated from the membership as they engage in dialogue with management. Mutual learning within Saturn should be promoted much more vigorously than it has been to date.

The authors also draw out broader lessons for those who will shape the future of labour-management relations and policies. They do not advocate the Saturn model as being the one best alternative, since the world of labour relations is far too varied for that. As interesting as these broader implications

are, their quality and their scope also mean that doing justice to them would stretch the boundaries of this review. Read what Rubinstein and Kochan have to say about these broader implications is the best advice that can be given. Indeed this advice is valid for the entire volume, as this review gives only a dull image of this jewel's brilliance.

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