Job Role Fit:

How Henry Ford Learned the Three Most Valuable Culture Lessons That Changed How Automobiles are Made

In the early 20th century, The Detroit Motor Company was about to fail. Their biggest challenge was that they couldn't compete with the literally hundreds of other car manufacturers in Detroit at the time. Everyone was producing custom-made autos using small teams of employees that took a long time to build and only rich people could afford. Their CEO, Henry Ford, knew they had to change in order to stand out and survive.

Today, everyone knows about Ford's assembly line idea – not only did it revolutionized manufacturing and changed the trajectory of business but it also brought an affordable vehicle to the driveway of many consumers in the coming years. Interestingly, all those other car manufacturers learned from Ford and adopted his same assembly model. Unknowingly, however, Ford's changes also brought to the forefront cultural issues like employee compensation, motivation, and gratification – issues that weren't considered important in the day but proved to be the single most important key to success in his new business model.



In 90% of employee engagement studies we complete, we see that many employees think they should be paid more for the work they do. In our surveys, that comes through loud and clear and in focus groups it's a primary topic of discussion. True or not, most employees feel they're underpaid and many say that "more money" is the number one reason they'd leave and take a similar job elsewhere. (This is especially true with the lower-wage jobs but we also hear it from those in middle-management, salaried-exempt roles.)

Henry Ford thought he had this same problem a few years after implementing his assembly line model when the Ford Motor Company experienced a 380% turnover rate in 1914. His response? More than double their wages! That's right – go from $2.34/hour to $5/hour. Surely, that'll stop the turnover, right? And, as an added benefit, he'd make working at Ford so attractive that every other auto worker in Detroit would want to work at Ford. He thought he'd minimize turnover and create an endless pipeline of new talent. Sadly for him, that didn't happen …

It took a few years of spinning his wheels (pun intended) before realizing that he didn't have a pay issue with his workers, he had a fulfillment and motivation issue. No matter how much he paid them, Ford came to realize that after a few months on the job the auto workers he had been hiring simply hated their job. It was boring, mundane, and unfulfilling. In the previous model, they were

craftsmen – when they finished a car, they stepped back and took immense pride in what they'd crafted, much like a sculptor looks at what s/he created out of a block of marble. In the new model, they were just workers on an assembly line – they were bolting an engine to a frame or putting wheels on axels. There was no excitement, no challenge, no gratification. Yes, they liked the money for a while but eventually lack of gratification won out.

Ford's answer this time was to stop hiring those experienced auto workers from his competitors and start hiring workers from other manufacturing companies. He changed the profile of his employees to fit the new role required to succeed in his assembly line model. He no longer wanted craftsmen who knew everything about building the automobile; instead, he wanted line workers who paid great attention to detail and maintained consistent production, even in a mundane, boring job. In turn, Ford's turnover normalized, cars poured off his assembly lines, and the rest is history.

Three lessons to learn from this aspect of the Henry Ford story that you should apply to the performance culture at your credit union:

1. **Fit matters** – too often, we only think about fitting skills and talents to a role but we should pay equal attention to the intangible qualities that made the difference in Ford's solution. Some of us would be fine with routine roles where attention to detail is paramount but others would be a horrible fit in that type of role.
   Questions to ask:
   - Have we thoroughly and accurately defined each role? Challenge yourself to look at what the role actually is and not what it has been in the past.
   - When's the last time we assessed the roles and people for a good "fit"? As your business model changes, be sure to change the role definitions across the organization. Also, people's preferences can change with maturity and life events.
   - What are we doing different today from just one year ago in regard to the interviewing, selection, and onboarding process? Focusing on the fit requires you to approach each of these steps differently and deliberately.

2.5x Higher Productivity

According to a major Harvard Business Review analysis, employees who are well-matched to their jobs in terms of abilities, interests, and culture are 2.5 times more productive than those who are not.

2. **Motivation and fulfillment should be critical** – an interesting takeaway for me in the story is that the turnover Ford experienced wasn't entirely a negative. Sure, at first, it was frustrating and squelched his production; however, eventually it allowed him to find the right kind of worker for the model he had defined.
   Questions to ask:
   - What type of worker do you need to be optimally successful in each role? Don't just think about experience and background; think about the qualities and traits of the individual.

- Will their primary motivations align with your credit union's? If you say you're all about helping people, then that should also be a primary motivation of each employee.
- Will they find the same kind of gratification in the job that you want them to? Just because they're from another financial institution or even another service job, doesn't mean they'll find gratification in helping to deepen member relationships.

3. **Address the pay issue** – Ford thought more pay would equal more satisfaction and success. Obviously, there's more to it than just pay. I doubt any of us would deny that pay is a major piece to the puzzle but he was wrong in thinking it was always the biggest and most significant and that pay would get them to something they didn't want to do.
    - How have you explained your wage scale methodology to your employees? And when did you do it recently?
    - Who are you comparing your pay scales to? Is it just other credit unions or banks? I guarantee you that many employees are comparing you to what their friends and family members are earning at a retail store, manufacturing plant, or restaurant.
    - What's your total package and how much do you focus on that? Health benefits are an equally big puzzle piece to many but frequently employees tell us they can't quantify its value. If you don't tell them about it, they'll likely never value it properly.

The cultural challenges presented by the Henry Ford story have played out in many organizations over the years – employees not being able to transition to the new expectations of their roles and the idea that paying them more money will get them to make that transition. Unintentionally, it could be happening at your credit union right now. We consistently hear and see:

"I wasn't hired to sell"

"I don't want to do business development"

"I can't give up that old way of doing that"

If your credit union is challenged with these types of maturation issues and you want to focus on optimizing the fit of your employees, our consultants are ready to help. Let us know when we can talk – fi-strategies.com/contact/ or 636-578-3280.