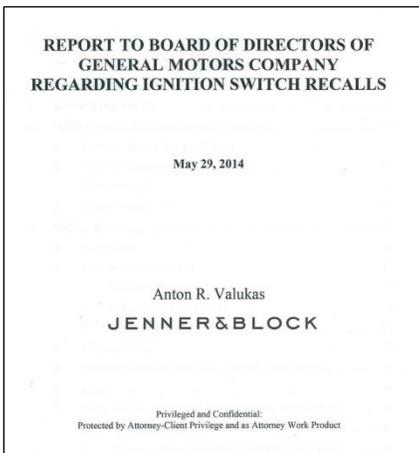


# Valukas Report: If this is “self-serving” for GM Executives, then define HUMILIATING – 4 Disturbing Takeaways

The long awaited report (<http://www.nhtsa.gov/>) on GM’s infamous faulty .57 Ignition Switch was publically released on Thursday and immediately dubbed self-serving by some legislators while others claimed it placed the blame on one person. After reading the 325 page document and having the hindsight of knowing that 15 GM personnel ranging from long-term executives (lawyers) to long-term engineers were dismissed, the Valukas Report is neither “self-serving” (<http://www.leftlanenews.com/legislators-dismiss-gms-valukas-report-as-self-serving-pr-campaign.html>) nor is it about blaming the rogue ignition switch design release engineer.

In having over 26 years of experience in the engineering and quality function with the last 14 of those at the executive level, I have witnessed several of the breakdowns highlighted in this report. However, what I have not witnessed and cannot fathom is the deep-rooted cultural issues that seem to permeate GM throughout the report’s scope: the lifecycle (1999 through MAY 2014) of the models involved in GM’s biggest recall ever – the Saturn Ion and Chevrolet Cobalt.



## 4 Disturbing Takeaways

1. The **GM Nod** and The **GM Salute**: During many of the meetings highlighted in the report, there would be agreement (i.e., nod) as to how to proceed only to have no one do anything that was agreed to after the meeting. There was no ownership (i.e., visualize the crossing of arms pointing at the other guy, aka the salute) and accountability even in the face of mounting customer complaints, NHTSA questions, product litigations, external investigations and sadly, deaths. This lack of ownership and accountability has even been given names by GM employees: the *GM Nod* and the *GM Salute*.

QUESTION I’d like to ask: How does anything get done and how have long term employees been able to account for nothing time after time and retain employment? For example, Stouffer, an engineer working in GM’s product investigations group, in his 3 year investigation in to root cause and Sprague, an engineer working in GM’s product litigations group, in his tracking of the Cobalt failures since April of 2007 never took any initiative to complete their investigation or share critical data, respectively. There should be an innate need to do this notwithstanding the enabling culture.



2. **Fractured Communication / Information Hubs**: Design information, supplier component approvals, specifications, service bulletins, product investigation reports, etc. are not easily accessible for those who need to have access nor does the “type” of information appear to have a central location where employees

would know to look. There were several examples of where information as to how to solve the problem was filed somewhere in the company, but no one knew about it. Oddly, external personnel were able to find it without much effort.

QUESTIONS I'd like to ask: Why is it that data is not naturally sought after in GM? Why weren't torque inspection results reviewed after the hundreds of moving stalls being reported early on? Why was it that the ignition switch design release engineer, DeGiorgio's, word was so naturally accepted even in the face of overwhelming evidence to the contrary? Lastly, one of the major oversights throughout this ordeal, why wasn't the ignition switch failure mode clearly identified in the component approval process (i.e., the Production Part Approval Process (PPAP) deliverable called the DFMEA, Design Failure Mode and Effects Analysis)? If this document had been reviewed, the critical 13 year secret that mystified GM: the ignition switch in the off position disables airbag deployment, would have been known from the onset! It took an outside engineer working for a plaintiff to review the Cobalt wiring diagram to see this critical connection.

3. **Lack of Customer Focus:** There were several different processes in place to protect the customer, but this culture of mediocrity permeated. Every internal customer and supplier in these internal processes let the other one off the hook. Even with mounting claims, complaints, etc. again, there was no sense of urgency at GM on behalf of the customer. It might be nice for GM to adopt the Amazon "empty chair" concept where one chair is always empty in a meeting to remind everyone as to whom their decisions (or discussions in this case) affect.

QUESTIONS I'd like to ask: Why was a *moving stall* considered a customer convenience issue instead of a safety issue by GM? Would anyone at GM think if they saw someone running a red light and coming right at them and their car stalled (and therefore, they couldn't accelerate), think "wow, this is inconvenient"? If a *moving stall* was an inconvenience for customers, why was it that the phrase "moving stall" could not be part of the service bulletins sent out to communicate this inconvenience?

4. No **Winning with Integrity:** Throughout the report, the one most disturbing "thing" missing at GM: integrity. Perhaps this is also part of the first three, but the first three can be fixed. You cannot teach nor learn integrity – you have it or you don't.

QUESTION I'd like to ask: Why was this disturbing culture so widely accepted and enabled at all levels of the company for so long?

I agree with Valukas in that there was no conspiracy on behalf of GM executives nor was quality subordinate to cost. However, the report does describe a deeply rooted culture where core values such as integrity, loyalty, honor and customer focus; and basic competencies such as problem-solving, initiative, teambuilding and follow-through; are so clearly absent. I find it hard to believe how some legislators can call the report "self-serving". The GM culture described in this report is humiliating for anyone associated with GM. As for those competent employees with character, why you remain at GM leaves this reader scratching my head.

Unfortunately, for Ms. Barra, it will take more than 15 dismissals and 5 demotions to *win with integrity*. She will have to model it, publically reward it and immediately remove those not displaying it.