

The TFW Virus on the Iron Range

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Abstract

The results of the TFW virus can be seen in the mines on the Iron Range in northern Minnesota. The paper describes the author's personal observations of and experiences with the outcomes of the mental model of management infected by the TFW virus. The author concludes based on his observations that the virus has gone beyond the workplace to shape the thinking of the people in the community.

Key words: SEAM, TFW virus, human potential, Iron Range

I have been learning about the Socio-Economic Approach to Management (SEAM) for the past few years through the College of St. Scholastica, while obtaining an MBA and an MA in change leadership. I would like to share some of what I have learned about SEAM, its advantages, and differences from traditional management. To mention my background in SEAM, I have had the great opportunity and pleasure of studying SEAM extensively under John Conbere and Alla Heorhiadi, both in the U.S. and in France, and I have had the opportunity and pleasure, on several occasions, to learn from SEAM's creators, Henri Savall and Véronique Zardet. I have attended several SEAM conferences, both in the US and France, and consider myself somewhat of a SEAM expert among my peers.

I have been quite vocal both in and out of academia about what I have seen and done previously in the workplace, and how differently I see things now through the lens of SEAM. SEAM, in large part, has shown me things I did not know were missing. I suspect many others are still unaware of what is missing without the SEAM lens. I am from the Iron Range in Minnesota, which is just west of Duluth and the Great Lake Superior. The name Iron Range refers to the iron rich red earth that is abundant there. It is a very nice place to live; there are lots of very small towns around just a few larger cities—lots of outdoor activities, and family gatherings. A great majority of the area's people are related in some way, shape, or form. Family and community are huge there. The area has a lot of heritage in industries like logging, paper, and mining, and I am going to talk to you about the TFW virus on the Iron Range. To do so, I'll go back in time for a moment.



Figure 1. An iron mine on the Range

My Experiences and Dysfunction History

Many years ago, I worked in the medical device manufacturing industry in the twin cities of Minneapolis and St. Paul. I managed a few departments at a few places, and I thought we were really quite successful, and that I had done a pretty good job as a manager. However, I know now that I was missing quite a few things, and SEAM would have really helped. The management style that I had used at that time was based on a flawed mental model, consistent with the TFW virus. The TFW virus, according to Savall (2016), refers to ways of thinking and managing that date back to the second industrial revolution. My organization was profitable, but sick. I can remember riding guys pretty hard, guys who rubbed me the wrong way--motivating by force--and I see now how blind I was to my own biases and how poorly my management style worked. Sure, I got what I needed out of them, but they never really got what they needed from me. They were a means to an end, instead of an end in themselves, as Kant (2005) described in his *Kingdom of Ends* formulation. I chewed them up, spit them out, and got new bones to chew when they burnt out and left. We were successful at emotionless business. We were taught that the workplace is no place for emotion.

More recently, I had come back home to Northern Minnesota, and I had been working in the iron ore mining industry and going to school. Then I was laid-off, along with thousands of other miners and workers from local businesses that are complementary to mining. Many other

mines are closing or idling and waiting for better market conditions; businesses that were propped up by mining are fading collaterally (DePass, 2016; Meyers, 2015; Shafer, 2016; Tice, 2016). Needless to say, the area has a very bleak looking financial future for most of its residents. Most of the area's highest paying jobs are gone or going (Manuel, 2015). The company, for which I worked, had several sites. The plant at the site where I worked, recently had tens of millions of dollars in upgrades. This was a small mine. Many larger ones exist and are not doing well, either.

Sadly, I have witnessed the TFW virus at many places where I have worked, but as I have said earlier, I did not know this at that time. While working in mining, I learned about SEAM, and it really opened my eyes. I began to see the TFW virus everywhere I worked, and I began to hear others talking about it without knowing they were describing the virus.

Taylor, Fayol, and Weber, whose theories contributed to Savall's (1974) concept of the TFW virus, were great influencers on the practice of modern management during the second industrial revolution: The technology revolution. It is fair to say that the world would be quite different without them; they made some good contributions to the workplace of that time. However, we, as a society, have come a long way, and many of the residuals of those old mental models still exist and are now not helpful at all. According to the TFW virus concept, a hire is a contract for a commodity, the worker. Conbere, Heorhiadi, and Cristallini (2016) reported that the worker in a TFW virus culture is expected to be obedient in his or her role as a resource. The TFW virus organization would require people to check their feelings, emotions, needs, or wants at the door. Or, as we said in mining, "There's no whining in mining." I can remember explaining that to new hires with exaggerated gruff so as to underline the honored toughness of the profession, "If you want to stick around, remember there's no whining in mining. If you don't like your job, do it harder, maybe someone will notice. If you whine, we'll keep you where you are." We would say these things to new employees as a forewarning. If people complained, they went down the ladder.

Later, when I entered mining, it felt familiar from my days managing in the Twin Cities, something expected, however harsh, as a system whose gameable nature could be suffered through and later exploited. As a new face in the organization, I understood the culture and I felt like I could take the abuse knowing that I would be the one to dish it out, and somehow at the time that was bearable. It felt like the way it was supposed to be because that is what I knew. The poor management practice was perpetuated by my own conformity and acceptance of it. Again, we all were sick with TFW virus. I was sick.

Conbere, Heorhiadi, and Cristallini (2016) explained that the TFW virus uses separation as a management tool. Separating departments from interacting, keeping thinkers from doers, or engineers from accountants, separating physically and mentally—separating is sometimes used

as a means to control or keep power (Conbere, Heorhiadi, & Cristallini, 2016; Weber, Henderson, & Parsons, 1947). The TFW virus view posits that specialization is efficient. Doing one thing and doing it very well may be very efficient, but it is also very boring. Long ago, Karl

Marx (1844) explained that many specialized jobs are not engaging, and more recently Natemeyer and Hersey (2011) elaborated on job specialization by explaining that by their nature individual development is not much of a concern beyond the specialized task, job, or process. I know that I assigned one to two million piece orders to machinists, with whom I did not really connect because I did not want to spend too much time training them. Teaching them only about what was needed to do their specialized job, for a very long time, was easier on me. I rationalized that they were really good at that one job and that is all that I needed them to be. Besides, I thought that I had to do a similar job when I first started, thus everyone else should suffer as I did, maybe as some 1- 2 year initiation, and if they cracked, they were not good enough and we could simply get other workers to replace them.

Another TFW virus consequence in the workplace (Conbere, Heorhiadi, & Cristallini 2016), is the minimization of the value of the person, which occurs when the TFW virus shows itself as concern for profit over people. In action, the business comes first before anything else. I often heard people say, ‘If you don’t like it, there’s the door’, or, ‘We have to do what is right for the business.’ The value of the employee is minimized. Finally, the TFW virus requires submissive, obedient employees in the workplace. Challenging the status quo is not tolerated, and managers or groups may punish those who do not conform. This is how organizations end up saying, ‘We do it this way because that is the way we have always done it, so just do it, or else.’

The TFW Virus as Observed in Organizations

The Socio-Economic Approach to Management points out that an organization can be observed as being fractured or separated (Conbere, Heorhiadi, & Cristallini, 2016). The mining company where I was working was quite siloed, which is to say the organizational structure was divided functionally and it was very tall. Also, several departments were located in different buildings with little to no interaction. This made for little interdepartmental communication or innovation. The ability for people to communicate, coordinate, and cooperate, or the 3 C’s necessary to good management (Savall, Zardet, & Bonnet, 2008; Conbere & Heorhiadi, 2015), were greatly weakened. Not only were departments separated, but managers were non-union, and lower level employees were union members. The culture was one of distrust and secrecy between those two sides. The separation hurt trust, and, in my opinion, the separation was a large reason why several process improvement attempts went so poorly—the separation made the three C’s virtually non-existent.

Another observable aspect of the virus discussed by Savall, Zardet, and Bonnet (2008), and by Conbere and Heorhiadi (2015) is the existence of heartless processes in the workplace.

Mining on the iron range was full of heartless processes that were observed and discussed by my teammates and myself. When I first started, workers, who operated heavy equipment, worked 12-hour shifts with no breaks. They understood that, as far as management was concerned, the time when vehicles were being loaded and unloaded was considered to be their break-time. So they did not leave their cabs for 12 hours; some people were peeing in bottles, while others were using diapers. We discovered the problem when the portable toilet company, with which we contracted, brought it to our attention that they would not be able to continue business with us if the diapers kept plugging up their machinery. The company operators, did not appreciate having to fix and clean their machinery and messes. Employees were attempting to game the system; they felt that by getting one or two more loads per shift they might build the perception of being a better employee or operator, which could lead to having a greater option of machinery on another shift, or a better selection of daily duties. It was universally known among the workers that the organization preached the espoused value of safety, but really valued only load count. Because the load count was rewarded, many employees were incentivized to forgo safety for the sake of own personally identified benefits.

Often, rather than fixing things that were broken, individuals were told to stand by and monitor issues for weeks. Sometimes workers were ordered to do things like shovel material while it was still pouring out of a pipe at thousands of gallons per minute. I both witnessed and was part of these practices. Heartless processes led to safety risks or injuries.

Through many conversations with many employees, I am convinced that many people in the mining industry feel the effects of depersonalization. Depersonalization in the workplace is defined through the SEAM lens by Conbere and Heorhiadi (2015) as “a loss of one’s sense of self -- the opposite of self-actualization, and results in diminishing the human person, the withering of the human soul” (p. 36). I can remember one equipment operator trying to explain to me that he felt like he could not make a difference because he never could get what he needed to fix problems. He said that no one listened to him, and that he felt like he was just coming in to collect a paycheck, which I could see made him visibly uncomfortable.

As for me, the lack of training and information wore me down. I tried many times to get what employees needed to learn more and be better, and it was usually difficult. One time, I tried to get a slide from a presentation on a new piece of equipment for an operator, who was not included in the training, but was likely to operate the machine. The engineer was hesitant for days to hand over a copy of the slide, fearing that he might get in trouble for giving out potentially proprietary information. Eventually, I got the worker the information. It turned out that he had noticed many people referring to different parts differently or incorrectly, and he just wanted clarification so that he could communicate with those, who were more experienced with the equipment, and who were apparently not properly trained on the names of the equipment parts. He never asked for information again.

Elitism also could be found in the organization in which I worked. When passing in hallways or break rooms, many upper level employees would not say hello to people lower than them in the company. A coworker of mine brought this to my attention and we tested his theory over time. Our test resulted in me having to discuss with several managers the importance of communication and how elitism could hinder our business. Another illustration of elitism is the engineers and upper managers ate lunch in one break room, the nicer non-union break room, while everyone else ate in another location (at least those who chose to eat, rather than work through breaks). The non-union break room was stocked with paper plates, plastic silverware, and such, while the lower level break room did not have these supplies. Lower level (union) employees were told to stay out of the non-union break room and away from the utensils. For many years, the union break room was not heated or cooled while the non-union break room was. I remember walking in on one particularly cold Minnesota winter night and seeing many people sitting in chairs on top of tables, because it was just a little warmer higher up.

Blindness had become a part of the culture of the company. We had stopped seeing the symptoms and results of the TFW virus. We had become really good at chalking up negative feelings and perceiving things as being “just the way it is.” We worked hard to dismiss the idea that any change was needed if that required admitting that an issue existed. I remember when the company got a large fine for not fixing a railing safety hazard. Upper management was irate, yet several people had noted the issue on their inspection sheets, and the issue was visible right at the plant entrance where everyone, including managers, could see it daily. Everyone was used to things not getting done, so they quit seeing the problem.

A very good friend, who works with mines for the Minnesota Department of Natural Resources, explained to me that some of the mining companies going through bankruptcy did not set aside money for mine-land reclamation, in spite of the fact that they were legally obligated to do so, and regardless having some periods of substantial growth and gains. The state has had to use funds set aside for cleaning old mine sites on new ones, while going after bankrupt companies for payment. Many firms borrowed or received money from the state and the Iron Range Resources and Rehabilitation board for projects; it seems large sums of taxpayer or legacy development money may be lost (DePass, 2016). The last generation’s mining downturn brought environmental, social, economic, and political concerns, many of which are heard about again today (Manuel, 2015; Shafer, 2016; Tice, 2016). Some companies are getting away with leaving messes on the land and in the communities of the people.



Figure 2. An abandoned iron mine.

Human potential

SEAM's use of human potential is one of the key parts of the socio-economic theory that got me really quite interested. I was familiar with some of the basic OD principles, but the way SEAM incorporates both sides of the socio-economic coin, nurtures human potential and eliminates hidden costs (Conbere & Heorhiadi, 2015) was eye-opening to me. I immediately began explaining SEAM's use of human potential to people from many walks of life, in and out of work, and I found that people were really receptive to the my messages, especially where I worked. All people deserve respect, most workers want to do well and to help the company succeed, and then if some employees have problems, unhealthy systems are to blame, not the individuals.

I began explaining McGregor's (1960) theory X and Y, Katz and Khan's (1966) open system theory, and SEAM's hidden costs, dysfunctions, root causes, and three Cs (communication-coordination-cooperation), and people were listening on the edge of their seats. Many people were interested in SEAM; I even passed around Conbere and Heorhiadi's (2015) *Introduction to SEAM* to a few people who really loved the read.

The company in which I worked, had developed a culture in which managers were not concerned about human potential. The employees were not motivated, they were not engaged, and they were not very happy. The more I looked, the more likely it seemed that some of the cultural issues within our organization were also present in the regional culture.

It makes perfect sense that industries that thrived in the era that created the TFW virus, such as the iron ore and steel industry, would face the results of the TRW virus now. I am convinced that the TFW virus could be found not only in the mines of the Iron Range, but in its people, too. People have learned behaviors and past them on to next generations. In some ways, we all are perpetuating the TFW virus and enabling dysfunctional systems and workplaces that have no concern for human potential.

SEAM is the remedy

I believe that for many organizations, healing with SEAM would have a large impact on the small surrounding communities that make up their workforce. At this time, many businesses are clinging onto survival on the Iron Range. It is true that global market conditions have caused great difficulties locally (Manuel, 2015; Mayers, 2015; Shafer, 2016; Tice, 2016; DePass, 2016). However, many of those businesses could have likely survived, or survived longer, if they were to implement SEAM. Their paths or trajectories might have been longer if they were much kinder to the people who are now affected. The espoused values of those companies were, “our employees are our greatest resource,” yet those values have not been practiced as well as preached. Instead if providing long-term jobs to a community have been more important than short-term profits, if hidden costs of inept management had been calculated, the outcome for the companies might have been different. I admit that those times were tough, but I know in my heart that the life of workers would have been easier, they would have experienced far less heartless processes with SEAM’s assistance.

Now there is a buzz in the media about the state and other entities potentially creating incentives for new businesses in other industries outside of mining to come to the Iron Range area or to be started by the local entrepreneurs. The area may have the opportunity to bring sustainable energy product manufacturing companies to produce wind and solar energy components. SEAM could assist new companies from the start so they can succeed.

To conclude, my friends, family, and community have worked in mining for generations, and there is a good chance that future generations will too, if and when mines reopen. Those generations are our children; the land and mines are our resources, and we care for our region. It is fortunate timing to have SEAM here now, being represented through the College of St. Scholastica in Duluth, Minnesota. My goal is to continue to learn, practice, and talk about the

socio-economic approach to management, so that I can help organizations to change and sustain a new culture that fosters human potential.

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