

A Family Tradition

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The presence of the Jackoboice family is unmistakable as one enters the heavy wooden doors of Monarch Hydraulics, Inc. Located at 1563 Michigan Street in Grand Rapids, Michigan, the corporate headquarters of the hydraulics manufacturing business is a physical representation of the work of five generations of Jackoboices. A worn photograph of the red school house that first housed the small band-saw factory hangs near the entrance as a reminder of the past.¹ In 1856, Joseph Jackoboice and eight ruddy gentlemen established the Jackoboice business tradition in this small building. That tradition survived the Great Depression and, recently, has evolved into a 47 million dollar corporation.² Although the product line has diversified to include complex hydraulic systems and factories have grown to dot the globe, the visibility of family ideals and values remain staunchly embedded in Joseph Jackoboice's example. The memory of Monarch's founder has challenge five generations of Jackoboice entrepreneurs to preserve the integrity and leadership evident in Grand Rapids for 140 years.

Visibility

The importance of remaining visible and accessible to every employee is evident in many Monarch practices. Portraits of each of the ten Jackoboices to hold offices at Monarch hang in the entrance as a visual reminder of the family presence that permeates the structure. The photographs identify the longevity and commitment the Jackoboice family has maintained throughout the years. The formal figures of Joseph, his son, Edward Joseph, and his sons, Edward William and George Adolphe reveal the paternalistic leadership style that directed Monarch's early tradition. Today, the modern generation of Jackoboices strives to preserve their ancestors' sensitivity and involvement with their employees, while evolving to compete in today's

hydraulics market. The photographs portray their competitive leadership abilities while preserving their understanding for employees and the hydraulic business.

In 1856, Joseph Jackoboice settled in downtown Grand Rapids, Michigan to manufacture band-saws which cut wood for the profitable furniture industry.³ He employed eight young men and managed them like a father with his children. George Allan recalls his paternalistic leadership style:

I remember stories of how he [Joseph Jackoboice] would go out into the factory on a hot day and say, 'We are going to the lake for a boat ride.' Everyone had to go. It just seemed like a good idea to him that everyone be involved. It was to let the employees know that they were appreciated and deserved a break now and then. It also served to build team spirit, but you didn't call it that back then.⁴

Joseph was committed to his employees. His expectations were challenging, but always fair and his employees were honest and diligent in return. If a worker's family member was ill, there was no question that he should return home to care for the sick person. George Allan declares, "He did things because they were the right things to do. You aren't taught that, you just know that." By indoctrinating each successive Jackoboice with the family tradition that has become Monarch, "doing the right thing" has become a welcome challenge to each generation. The modern generation of Monarch managers strives to emulate the integrity and commitment that Joseph exemplified.

Representing the newest member of the Jackoboice family to join Monarch, Otis has seized the opportunity to carry on his great-great-grandfather's interpersonal skills. As a 26 year-old, Otis adds vitality and innovation through his leadership style and personal charisma. He has brightened the traditional hydraulic business with his sense of humor and readiness to listen to each individual. He has embraced the occasion to interact with each employee through the 140 year tradition of personally distributing paychecks. Each of the five Jackoboices currently

working at Monarch takes turns walking throughout each facility in Grand Rapids, Kentwood, and Caledonia handing each employee his or her weekly paycheck. This necessitates that once every five weeks each Jackoboice spends one day with every Monarch employee, ensuring open communication and visibility. Once every five weeks, Otis takes his turn spending the day distributing paychecks to each Monarch employee. Otis understands the importance of chatting with each employee:

I look forward to handing out paychecks. It gives me an opportunity to talk one-on-one with every employee, and perhaps even more importantly it gives them an opportunity to speak with us. Those are the days I really learn what is going on.⁶

Otis knows every worker's name and every worker knows Otis. Wandering through the factory more frequently than paycheck duties requires, as Otis often does, secures mutual cooperation and prevents miscommunication.

The young businessman has quickly realized the significance of his interactions with employees. Otis remembers the hot summer days he spent molding steel for cylinders. As the manager of the hydraulic cylinder group today, he treats each worker with the respect and dignity he knows each deserves. The factory workers respect him because of his experience in the factory. Danny Schaab a plant foreman for 35 years at Monarch remarks:

Otis was a hard worker as a teenager in the factory. He is a hard worker now as a manager too. Several of the assembly line guys have worked their way up to management positions. I respect them because they really know how things work internally. Otis has the education and experience to make good decisions, but he succeeds in my mind because he comes out here to listen to what we have to say and he remembers what it is like to work in the factory. If we all communicate like that, we can keep things running smoothly.⁷

The importance of listening to each employee's voice has evolved from Joseph's paternalistic style of employee interaction. Although Otis' management style is more relaxed and brotherly than

Joseph's fatherly role, both convey the same attitudes to employees. Throughout the years, Monarch has realized the integral role employees play in the success of the business.

Familial Bond

The secure relationships Monarch officers and managers promote with their employees creates a working bond. Monarch's philosophy extends beyond, "a fair day's pay for a fair day's work." Before Monarch can succeed in the greater business world, the company must be a success to its employees. Monarch's loyalty to its employees fosters mutual rapport and motivation. A reciprocal relationship exists in which Monarch's commitment to its employees is returned; employees are as equally committed to Monarch as Monarch is committed to them. Joseph established a trusting relationship with his employees and Monarch has taken pride in preserving that reputation.

Thomas Joseph recalls a story that circulated throughout Monarch's offices and factories as an example for all to emulate:

A salesman hoping to convince a Monarch employee to purchase his services offered the employee a television as an incentive. The employee asked the salesman to leave and notified him, "We just don't do that at Monarch."⁸

The employee refused to accept a bribe from which his fellow employees would not also benefit. He viewed his commitment to the Monarch team as more valuable than a new television. This strong culture has been instilled in each generation of Jackoboices from father to son. Most importantly, it has permeated the entire Monarch work force as well.

In 1996, four middle managers retired with a combined career of 135 years as committed and satisfied workers. Tears were shed by both employers and employed as each retiree said good-bye to the relationships that were fostered by the Monarch family.⁹ Sustaining the motto

that Joseph represented, Monarch continues to treat its employees respectfully and to provide a nurturing and opportunistic environment.

From Joseph to Otis, every Jackoboice realizes the importance of the customer in Monarch's success. Monarch defines two types of customers: the internal and external customer.¹⁰ As a manufacturer, smooth operation of the assembly line is pertinent to the success of the company. Each employee must cater to the internal customer. Every coworker is an employee's internal customer. In the office, the salesman must complete the work order accurately to allow the engineers to design the proper unit. The engineers must accurately communicate the design information to enable the factory to manufacture the proper unit. The painter must coat each hydraulic unit evenly and purely for the shipping workers to take care in protecting the painter's work. The packer ensures that the unit will be delivered to the external customer in perfect working condition. Each worker must complete his job to the best of his ability to allow every other worker to complete his job to the best of his ability. The awareness of the external as well as the internal customer ensures that each Monarch employee takes pride in his work and delivers quality work.

Employees' sensitivity to both the internal and external customer has contributed to the success of the Gain Sharing program.¹¹ In 1992, Gain Sharing was instituted to allow every Monarch employee the opportunity to share in the company's success. Each four week period is assessed based on quality and productivity which determines the amount of profit shared by the employees. Tran Cho works especially diligently to receive a fifth check after each four week period. "I can go up to any computer in the factory and access the up to the minute report of our progress."¹² Monarch's Gain Sharing techniques provide immediate feedback through the

computer monitors and monetary reinforcement through the bonus pay check. Progress is reported and posted weekly to encourage improvement and recognize success. The entire work force is motivated to work hard to realize gains. Employees learn vicariously how to realize the benefits of Gain Sharing. Each worker knows the work they must complete to enjoy benefits. Each person willingly exerts effort to complete their work to reap the benefits. Workers challenge each other to meet the expected demands as well.

By experiencing success, each worker is confident in his or her abilities. Workers control the amount of rewards they receive and have come to presuppose significant gains. Dan Vaughn, the director of production explains:

It used to be a perk, now it's expected. People would be very disappointed and it's watched very closely. It's been tremendous for quality. People don't want to build something just to let it sit. And employees know that if they find a savings, either material or as an improvement, they receive a reward.¹³

The program improves efficiency in all aspects of business. Management is attentive that scheduling is providing the most productive number of workers in the proper areas. Purchasing ensures inventory needs are filled to allow manufacturing to commence smoothly. Assembly workers are attentive to their fellow employees' work and exert extra effort into their own jobs, knowing the rewards they are able to earn. In this way, the entire work force is integrated to produce a quality product in the most efficient manner possible.

Monarch recognizes the necessity of employee pride and identity in their work. Before Monarch can provide service to external customers, internal customers must be mutually satisfied. Monarch instituted Cycle Time Reduction Teams¹⁴ to resolve small problems in the factory. Named to identify their purpose in reducing wasteful use of materials, time, and effort, teams of ten are formed to address identified issues of concern. Two teams run concurrently addressing

two different issues. The groups resolve their concern in four months meeting once a week for two hours. The team members are drawn from various areas and positions to provide diverse viewpoints and generate fresh ideas as well as to avoid hidden agendas. To avoid a select number of employees dominating every team, employees are involved with a team on a rotating basis. In this way, employees serve on teams with various members, but are never asked to participate in more than one team every two years.

Recently, a team was formed to reduce the amount of paper littering the factory. They were challenged to maintain order and accurate communication of order information. Although some of the team members were not effected by the paper scraps, they were motivated to address the situation by their co-workers' perspective. A feasible answer needed to be found to ensure smooth operations in the factory which is pertinent to the smooth operations of all other areas. While the teams relieve management from solving these problems, the teams serve a more important function as a learning tool. The teams call employees to solve their own problems. They take pride in their achievements and accept responsibility for their work environments.

Monarch employees are encouraged to grow and learn as individuals in conjunction with the workplace. Monarch offers a variety of educational programs to encourage learning. Employees can participate in programs to earn their Master's degree or to learn how to work in today's diverse work force. Diversity and leadership training is offered on the premise to enhance employees' competencies and skills. Monarch employees can receive \$1000 each year to enroll in any course directly related to their job or to complete their college or Master's degree. John Stephen asserts:

A better educated individual is a better employee. It is an honor to be able to assist our employees in fulfilling higher learning goals. And if they leave Monarch

after they have completed their education, we have lost a better employee and the community will be enhanced by a better individual.¹⁵

Employees cannot be treated like machines. Opportunities allow workers to enhance their skills and develop as individuals. Although they augment their business skills, they are more importantly cultivating personal satisfaction and achievement.

Monarch has established a commitment to its employees and to its community. Monarch encourages employees to use the skills and opportunities they enjoy through their jobs to improve their community. "Fun Lunch" serves several purposes by recognizing employees for their work and giving them the chance to relax and socialize during the extended lunch period. Also, raffles are conducted in which the workers might win prizes while donating to a worthy cause. John Stephen explains:

Every 6-8 weeks we like to do something fun for the employees. We have the same event at every location to show that we appreciate each worker and to promote comradeship. A few times each year we have a raffle for a TV, stereo, La-Z-Boy chair.... Each ticket costs about 50 cents or a dollar and the proceeds are donated to the charity of the winner's choice.¹⁶

"Fun Lunch" cultivates a pleasant work environment while simultaneously encouraging the employees to think about those less fortunate than themselves. They are presented with the opportunity to make a significant contribution to a charity they might not be able to donate to individually. The raffles allow Monarch's internal culture to expand as an influence in the greater community.

Family Values

The integrity and work ethic for which Joseph Jackoboice stood as a model, endures at Monarch through the Jackoboice family's manner of conducting business. A certain pressure exists to maintain the tradition of family values and business ethics that have endured for 140 years. Customers and employees alike expect business to be guided by traditional guidelines.

Jack Bowman who recently retired after 38 years as national sales manager recalls the days when George Adolphe meandered through the factory leaning on his cane to chat with employees. Jack often reminded John Stephen, "You take after your father."¹⁷ Although the leaders of yesterday have passed on, a new generation has stepped in to carry Monarch into the 21st Century building on the values of the founders by utilizing the technology and techniques of today. Although the products Monarch offers have changed, the old-fashioned commitment to promises has not.

An electric company technician was familiar with dealing with George Adolphe and had not done business with Monarch since his death. Recently, he was having difficulty completing work according to agreement. George Allan discussed the problems with the electrician and they agreed on a plan of action. Thanking George Allan for his consideration, the man commented, "You're still just like your father--you promise and you deliver."¹⁸ Monarch strives to preserve that promise everyday. Following Joseph's policy, Monarch celebrates a 90%-95% rate of shipping service parts the same day they are requested.¹⁹ Customers are confident in Monarch's ability to serve their needs because of the efficient service they have experienced throughout the years. Each piece of letterhead at Monarch reads, "Quality Machinery Since 1856 - by Jackoboice." Monarch endeavors to become renown as the provider of satisfaction, quality, and service. In 1992 a team of middle managers and officers wrote Monarch's Quality Policy and Value Statement in response to the suggestion of several employees.

Quality Policy

Monarch Hydraulics will provide its customers with products and services of continually improving quality to the mutual satisfaction of all parties

Value Statement

- Monarch will be honest, moral, and ethical.
- Monarch will remain a family owned and managed business.
- Monarch will accept full responsibility for its actions.
- Monarch will be respectful of others and treat all people with basic equality.
- Monarch will expect reasonable profits.
- Monarch will encourage quality and innovation relative to products, processes, and people.²⁰

The declarations were written to print and publish the services Monarch proudly provided.

Monarch employees had high esteem for their company's accomplishments and wanted to publicize their success. The statements signify the values Monarch intends to exemplify in all business transactions. They are a promise to every employee and customer. They illustrate the virtue of Monarch's founders, leaders, employees, and customers. They appraise the importance of quality and service in every action that bears the Monarch name.

Commitment to Service

Monarch's founder first pronounced the consequence of a commitment to service and today, the significance has reached Monarch employees and survived the test of time. By initially establishing its commitment to each employee, Monarch is able to expand on this firm foundation to provide quality products and services to its customers. Employees are motivated to work for their company, taking pride and possession of Monarch's values.

In the little red schoolhouse that first housed Joseph's business, a small bronze bell hung on the wall near the entrance. Today, that same bell hangs in the entrance of a sprawling two-story brick building that now houses Monarch. An inscription beneath the bell reads:

WELCOME VISITOR TO OUR MIDST,
OUR PURPOSE HERE IS TO ASSIST.
WHETHER YOU COME TO BUY OR SELL,
WE'RE GLAD YOU'RE HERE,
JUST RING THE BELL.

From Joseph to George Adolphe, there was no receptionist at Monarch. Those who entered the building simply rang the bell and the nearest employee would answer the call within thirty seconds.²¹ The bell is a reminder of the efficient and timely service Monarch provided in the past and continues to provide today.

In 1971, a salesman immediately answered the phone, answered questions, and filled orders with no delay.²² Although Monarch has employed receptionists, computers, and voice mail to accommodate growing business, a knowledgeable representative continues to be at your service. Seven of the nine salesmen at Monarch previously worked in the factory. Their first hand experience in positions as varied as welding, testing, and assembly confirm the ability of each salesman to assist customers.

Monarch preserves its reputation for fast, friendly service through its employees. From officers to custodians, Monarch workers are models for efficiency and congeniality. Jennifer O'Packey cheerfully answers over 500 telephone inquiries each day. Usually her trained ear recognizes the caller and she initiates a friendly chat before the telephone interrupts and she is back in action. Jennifer's pleasant voice and eager attitude immediately convey her readiness to decipher an invoice or determine which "John" out of six a caller is trying to locate. The forty-something receptionist began working at Monarch as a temporary in 1993, but decided she belonged there. Jennifer explains, "There is a spirit of belonging here that I realized after only a few days as a temporary." She is a poster child for job satisfaction constantly claiming, "I just couldn't work anywhere else. If you work hard for Monarch, Monarch will work hard for you. I just love it here." In her leather mini-skirts and spangled sweaters, Jennifer pulls into Monarch every morning in her pink Cadillac. Although spike heels are not the norm in hydraulic

manufacturing, Jennifer realizes that the business needs her sparkling personality. "Someone has to keep everyone in line, and I think I am the one to do it," she laughs.²³ Thomas Joseph admits, "Jennifer is a bit eccentric, but she knows the parameters. She certainly brightens up the place. She is a 'can do' person, even if she doesn't know how to do something, she wants you to show her how. She is always willing to learn."²⁴ Although Jennifer seems to defy the "person-environment fit" model, her charisma engages the atmosphere and brings out the best in her fellow workers. As the first voice that a customer hears, Jennifer also encourages a pleasant mood in each caller. Jennifer has identified her place at Monarch as "a breath of fresh air." As an example to all, she approaches her work with energy, enthusiasm, and an imperative to succeed.

Monarch employees provide exceptional service for every customer because of the familial commitment they feel toward Monarch. Providing "service with a smile" stems from the internalized belief in the Monarch tradition.

Innovation

Monarch is aware of the need for planning and strategizing to ensure continued success. To preserve the job security of every employee, Monarch must use design and innovation to secure business for future generations. In the 1930s, Edward Joseph utilized the work ethic his father instilled in him to design and build underbody road scrapers. The scrapers were attached beneath large trucks to flatten dirt roads, knocking down crowns, ruts and ridges.²⁵ Edward possessed the vision and ability to adapt to changing market. As the scrapers came to be used to remove snow from the roads, Edward recognized the opportunity to redesign the scrapers to be used more effectively for snow removal. Previously, one person drove the vehicle while another person turned a crank to maneuver the scraper. The crank often froze in the winter creating

difficulties. The next generation of Monarch road machinery eliminated these problems by designing hydraulic pumps and valves which manipulated the scrapers. Innovation and willingness to take risks has propelled Monarch's success through the years.

Today, when the three sons of George Adolphe meet to discuss business plans, they often ask, "What would Dad have done?" Each child has been indoctrinated by his father with the values and vision of Monarch. Those values have been passed to the employees as well. The mutual cooperation of management and workers nurtures pride and value in each person's work.

In 1992, John addressed his brothers, Tom and George:

Monarch is like a cruise ship. Everyone is on deck enjoying the entertainment and the tropical sun, but there are three captains standing at the wheel asking, 'Where do you want to go?' And none of the captains can decide what direction the beautiful cruise ship should travel.²⁶

Monarch Hydraulics was a thriving manufacturer, but its leaders had failed to establish a vision for its continued success in the future. Daily transactions were carried on, but the company lacked transformative strategies. The three brothers realized that the cruise ship needed to plot its course to avoid ice blocks and ensure clear sailing. The paternalistic or "telling" leadership style that had dominated was no longer valid without a paternalistic leader. Management needed to accept responsibility for making decisions. Tom recalls:

I heard managers say, "I know the answer George [Adolphe] would give me, but I'm not sure if I should make that decision myself." They are capable of making rational and right decisions, but they have never been told expressly to exercise that ability. They have grown used to being checked.²⁷

Although old-fashioned techniques were acceptable in some instances, this management style was antiquated and inefficient. Monarch realized the necessity of accountable, self-managed workers and initiated change. Management was given the responsibility to make extensive decisions with the installment of Business Units.

Searching for management techniques to improve motivation and identity for salespersons' work, the sales department formed work groups called Business Units. The units serve to focus the direction and motivation of salespeople. AC Power Units, DC Power Units, Cylinders, Dyna-Lift Ergonomic Systems, and Salami pumps, motors, and valves were established as separate divisions. A manager directs each product line with a team of salesmen. The team becomes specialized in its division by providing knowledgeable and focused service. Competition with other divisions encourages each division to become entrepreneurial in their marketing techniques. John Stephen has noticed the improvements the business units have promoted:

In the past, a large order was celebrated by the entire sales team and everyone felt like they could sit back and relax. Now a big order in the cylinder department means that the AC division better work harder to keep up--a little friendly competition. And the Salami team is knocking on the door asking, 'If they need cylinders, they might need motors and valves too.' We are more driven to keep asking what the customer needs and to serve those needs.²⁸

The Business Units enhance identity and ownership of each salespersons' work and personal as well as group accomplishments.

The Jackoboice family has realized that the Monarch tradition is a continually evolving process rather than a static model. Joseph's example has been used as a foundation on which the hydraulic business has built its success. Each generation recalls the values embedded in its past and seeks to foster those values into the future. The growth of the Jackoboice family tree is analogous to the growth a tree. A tree is rooted firmly in the ground like Monarch's business culture is rooted in Joseph's ideology. The branches of a tree grow outward to soak the sun's rays as Monarch has expanded to embrace future challenges and successes. The Jackoboice family preserves its heritage through the legacy of Monarch by growing upward and outward from its roots. Although technology and innovation are important, quality and service remain imperative

to Monarch's future success according to the Monarch tradition founded in 1856 and cultivated through 1996 -- by Jackoboice.

Monarch Hydraulics, Inc.
Jackoboice Family Tree

Joseph (1824-1899) founder

Edward Joseph (1864-1935) second generation

third generation

Edward William
(1905-1974)

George Adolphe
(1908-1987)

fourth generation

Edward James
retired

George Allan
current president

John Stephen
director of business units

Thomas Joseph
director of marketing

fifth generation

Timothy John
director of Dyna-Lift unit

John "Otis"
director of cylinder unit

"Notes"

¹ The majority of the information in this paper has been observed through a lifetime as a Jackoboice. An extensive conversation with my father, John Stephen Jackoboice, provided additional clarification and information. Every person employed by Monarch employees address one another using first names. I will use this style as well, using middle names to clarify when necessary.

² Interview with John Stephen Jackoboice, director of business units at Monarch Hydraulics, Inc., 21 November 1996.

³ Ibid.

⁴ Interview with George Allan Jackoboice, president of Monarch Hydraulics, Inc., 28 November 1996.

⁶ Interview with John Stephen "Otis" Jackoboice II, director of cylinder group at Monarch Hydraulics, Inc., 1 December 1996.

⁷ Interview with Daniel Schaab, factory foreman at Monarch Hydraulics, Inc., 27 November 1996.

⁸ Interview with Thomas Joseph Jackoboice, director of marketing at Monarch Hydraulics, Inc., 28 November 1996.

⁹ Interview with John Stephen Jackoboice, director of business units at Monarch Hydraulics, Inc., 21 November 1996.

¹⁰ Ibid.

¹¹ Ibid.

¹² Interview with Tran Cho, factory worker at Monarch Hydraulics, Inc., 27 November 1996.

¹³ Barb Zuehlke, "Building partnerships," OEM Off-Highway, November 1995.

¹⁴ Interview with John Stephen Jackoboice, director of business units at Monarch Hydraulics, Inc., 21 November 1996.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Interview with George Allan Jackoboice, president of Monarch Hydraulics, Inc., 28 November 1996.

¹⁹ Barb Zuehlke, "Building partnerships," OEM Off-Highway, November 1995.

²⁰ Pamphlet entitled "Monarch - 140 Years of Providing Solutions."

²¹ Interview with John Stephen Jackoboice, director of business units at Monarch Hydraulics, Inc., 21 November 1996.

²² Wanda Tunnel, "Service and Courtesy Before Sales," Trailer/Body Builders, December 1971, p. 46.

²³ Interview with Jennifer O'Packey, receptionist at Monarch Hydraulics, Inc., 27 November 1996.

²⁴ Interview with Thomas Joseph Jackoboice, director of marketing at Monarch Hydraulics, Inc., 28 November 1996.

²⁵ Interview with John Stephen Jackoboice, director of business units at Monarch Hydraulics, Inc., 21 November 1996.

²⁶ Ibid.

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²⁷ Interview with Thomas Joseph Jackoboice, director of marketing at Monarch Hydraulics, Inc., 28 November 1996.

²⁸ Interview with John Stephen Jackoboice, director of business units at Monarch Hydraulics, Inc., 21 November 1996.