

The Closing of Abingdon: End of the MG Era

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Introduction:

He is a very good friend and we have much in common. We both had long careers in the human resource management profession. Later in our careers we both became the Chief Staff Officer of our country's HR professional society, he in the United Kingdom and me in the United States. Both of us served together on the Board of Directors of the World Federation of Personnel Management Associations and both became the president of this professional federation that links the global human resource management professional interests of greater than 70 nations. I knew him well, or so I thought.

Then one day I wanted to share (translate: "gloat") with my British friend that I had one of his countries' prized cars, a 1949 MG-TC. I showed him photos of my MG thinking that I finally had something that he did not have or, at a minimum, I might lure his envy.

But no, I was to learn that he knew much, much more than me about MGs. In fact, he told me that as one of the senior executives of British Leyland at the time, he helped close the MG Abingdon factory.

After informing him this could be the end of our friendship, we spoke frequently about his role in the closure of the Abingdon plant, but always at my initiative. Consistent with his gentlemanly and conservative style, he volunteered little. But as a member of the MG Classics of Jacksonville I thought other members might enjoy a first hand account of why and how the proud and revered MG car line ceased to exist, at least as we knew it at Abingdon.

I knew we would meet at the 2006 WFPMA World Congress, scheduled to be held in Singapore. I asked if I could interview him for an article.

My good friend, Geoff Armstrong, did not fail me. I also discovered that the MG story is not a simple one. Instead the tale is interwoven into the story of the much larger parent company and its challenges with product,

productivity, costs, employee relations, government policy and global competitive requirements.

Geoff Armstrong and BMC

Geoff grew up in the industrial city of Liverpool, the son of an active trade unionist. His working class background was an early contributor to an interest in industrial sociology. As a good student in the state school system, he chose to study at the University of Portsmouth. At the University he soon extended his interest in industrial sociology to the more pragmatic challenge of understanding the relationship between people at work and what, if anything, contributed to worker motivation and productivity.

After his university graduation he sought employment in what was called, in those days, Industrial Relations. At that time trade union membership was very high as a percentage of the UK workforce, greater than twice the percentage of the United States, for instance. Thus UK labor unions were very strong and also linked closely to the interests and policies of the UK Labor Party. Many companies were at risk in this environment threatened not only by strong local and national unions but government policy. Geoff felt that the "front line of this class warfare was in the motor car industry." Fortunately, he received offers of employment from the Ford Motor Company and General Motors. But his primary interest was the offer from, what was called then, the British Motor Corporation.

The offer from BMC was to work at their Coventry complex where they had three major plants employing greater than 6000 blue-collar workers and approximately 2000 white-collar workers. These combined facilities were known as Morris Engines. The plants produced engines, gearboxes and casting for the assembly lines of Austin, Morris, MG, Riley and Worsley.

As a BMC graduate trainee, he began his employment in the fall of 1967. But he soon discovered there would be more "hands on" training than classroom training. To gain practical and accelerated insight into the automobile manufacturing industry, he was assigned temporarily to the Apprentice Training School, customarily attended by younger sixteen year olds in their four-year apprenticeship-training program. Geoff recalls being issued special "green overalls" to highlight his lack of experience and need for oversight, or as he

told me “To make sure I did not cut my fingers off on a lathe.”

Geoff now looks back and fully recognizes the importance of this “shop floor” orientation, even if it was for only a few brief months. In addition to learning what many of the machines did and witness more closely the complexity of a manufacturing process, he gained an equally important and early appreciation of the worker’s role.

This included an evolving relationship with Joe Pirie, a long-time Amalgamated Engineering Union shop steward. Joe represented the “rectification fitters.” These workers did the final quality checks and rectification of the engines and gearboxes and were, therefore, more skilled than the regular assembly line track worker.

Possibly Pirie took an interest in this young university graduate and hopeful future management candidate because he knew that Geoff was from a working class family and had a father who was also a union leader. But for whatever reason, to this day, Geoff considers Joe Pirie’s personal mentoring on how industrial relations really works, as some of the most important education and best advice he ever received.

Geoff Armstrong and Abingdon:

Then, in early 1968, the company learned that approximately one hundred engines and gearboxes for MGBs were defective. Unfortunately the defective units had already been shipped from Coventry to the MG plant in Abingdon, including some that were already in completely assembled MGs still at the factory. The “quick fix” was for six Coventry fitters to go to Abingdon for several weeks to do the rework. As the union official for the fitters, Joe Pirie had some influence on who would go to Abingdon.

Apparently not yet done with mentoring Geoff, Joe Pirie asked Geoff if he would like to be one of the men to go to Abingdon. And this was no small feat since, as a non-union management trainee, Geoff had always been absolutely forbidden to do any actual “shop” work while at Coventry. His role was primarily limited to “observation.” But Pirie also knew that the union at the Abingdon was much less militant than the same union at Coventry. Thus, Geoff “jumped at any chance” to go with the other fitters. And Pirie faithfully delivered on his promise to arrange for Geoff

to become one of the six men to go to the Abingdon factory.

While at Abingdon, Geoff recalls noting the major differences he observed between Coventry and Abingdon even though both plants were part of the same company. For instance, in addition to a less combative union, Abingdon, with only 1200 total employees, had fewer employees than Coventry, which employed greater than six times that amount. Also, the Abingdon plant was located in a much more rural area and many Abingdon workers were from the surrounding Oxfordshire countryside. Many of their parents had worked on the land or in local service industries. The MG workers were, therefore, mostly first generation factory workers and had not experienced the harsh orientation to combative labor relations that existed in many larger UK cities and companies at the time. Wages at Abingdon were also somewhat less than the other larger auto factories, again, given the usual lower level of production workers’ pay in a rural community. But even with lower wages employee turnover at Abingdon “was almost nonexistent” and to some extent shamed the high turnover of the larger factories in the industrialized cities. In fact, the Abingdon employee relations were so good that most employees readily recommended other family members also seek employment at the company.

Geoff also recalls “Abingdon was a more relaxed work environment with the employees taking greater pride in their products and quality. It did not go unnoticed either that Abingdon’s MG car works was seen as “... one of the personal interests, or as some would say ‘hobbies’, of Lord Nuffield, of the original Morris Garage.”

Another difference was that there were no motorized paced conveyers on the car assembly line. Instead the cars were assembled on a "buggy" or trolley-like unit. Then, when the workers completed the work at their station, they simply pulled or pushed the car down to the next assembly station by themselves. This gave the work groups a considerable degree of autonomy about who did what and when. As such, the pace was not as intense, relentless nor machine driven as existed in a traditional automobile assembly operation. This is not to say the workers did not have a quota of cars to be built by the end of the day but how they did it was more up to

them than management direction or Frederick Winslow Taylor mindless standards.

For example, Armstrong highlights that Abingdon even had a barbershop at the plant. If a worker needed his hair cut (and it was “his” – there were no women on the assembly line) the worker would inform his fellow workers at their assembly station. They would then attempt to work ahead to allow the worker who needed a haircut to jump off of the track to get his hair cut and then rush back in time to not delay production.

Thus the workers were efficient in their own way and economical production was never given the priority one would expect in mass-producing automobiles. But part of that phenomenon was because everyone at Abingdon did not see themselves as “just” making automobiles.

They were making MGs!

Armstrong reports that “Pride in the product was extremely high with photographs of MGs all over the factory and if an MG did something special there would be something posted on the board for all to see.”

Armstrong also highlights that Abington was only an assembly factory with all of the components made elsewhere. As a result there were not as many highly skilled workers at Abingdon. But the workers took great pride in seeing a sporty and highly desired car come off of the end of the assembly line. They also had a keen appreciation that few in the world would ever have the opportunity to drive let alone own a MG. Yes, in those years, the feelings of accomplishment of completing one more MG was much different than today where completed cars are checked out electronically and are test driven on a rolling road built into the final assembly station. “At Abingdon, the workers at the final assembly station...” Armstrong affectionately recalls “...put on the wheels and tires and filled the just completed MG with enough petrol to drive it off the assembly line. Then it was immediately driven on to the adjacent figure 8 ash track where the thirty second test dash around the track was precious.”

Thus Abingdon was very different from the “volume” factories that Geoff later became to know, such as Longbridge (the largest factory with about 30,000 employees and home of Austin so it produced cars under the Austin, Morris, Riley, Wolseley marques, as well as engines, gearboxes and mechanical units for other assembly plants), Cowley (Austin and Morris), Canley (Triumph) and Solihull (Rover). All of these plants

were much larger and had mechanically paced assembly lines. They also produced a larger variety of cars resulting in less employee product identification and possibly even less pride in their production than existed with MG workers.

Also, Armstrong emphasizes that the MG brand in the UK had a very good image. Geoff characterizes the brand as “Being seen as a little bit racy, exotic and exciting – not your normal car.” “In today parlance” Armstrong continues, “it would have been described as a ‘cool car.’” In fact, in the 1970s, Armstrong was the proud owner of a MGB GT himself.

“It felt like a racing car,” he recalls “...yet with only an 1800 cc engine you could be out accelerated by the neighbor’s family Ford.” But he also recalls the “Great growl and nice feel” that appealed to dedicated admirers like him.

These were Geoff’s observations from not only his few weeks he spent helping with the rework at Abingdon but his evolving successful career at BMC. He recognized, even if with some regret, that the Abingdon working environment was far different than not only other BMC operations but other automobile manufacturers as well. All auto manufactures, and especially the Japanese, followed by the US, knew to successfully compete globally would require renewed emphasis on automated processes, increased productivity and quality.

The Beginning of the End:

As early as 1968 BMC was losing money heavily. In addition, Prime Minister Harold Wilson headed the UK Labour Party. One of his themes was the consolidation of the industrial base in Britain. Geoff reports that Wilson encouraged the very successful Leyland Motor Corporation, primarily a manufacturer of trucks and buses at the time, but who also manufactured the Triumph line, to assist in the consolidation of the UK auto industry. One thing Wilson persuaded the Leyland chief executive, Donald Stokes (later Lord Stokes) to do was acquire BMC.

This created the British Leyland Motor Corporation, which many now suggest was not a good fit for many reasons. Also, with a strong Labour Government in place, union power was at its peak. Numerous strikes occurred though out the merged company. “Needed badly was a new approach to labor and management

relations that would result in a better balancing of interests,” recalls Armstrong.

This was no small task since thirteen trade unions represented 180,000 blue-collar workers and five additional unions represented another 45,000 white-collar workers across the now combined British Leyland.

Most of this effort to improve and change relationships with the union was advanced by Pat Lowry, the company’s first human resource management senior officer. Armstrong, less than thirty years old at the time, was appointed as a key assistant to Lowry. Their objective, Armstrong confirms, was to confront the multiple national and local unions “... with the reality that the current poor management and union relationships would have to change --- that what existed was going to kill the company.”

At the top management and national union levels meaningful progress was made. However, as Armstrong reports “... the crunch came on the shop floor where local union stewards did no work and were paid by the company to spend all of their time doing trade union business. Thus their interests really laid in not agreeing with change.”

For instance, Armstrong recalls that one of his new responsibilities was to prepare a daily report of strikes within the company. He emphasized the seriousness of the situation by reporting: “On most days there were at least 20 or 30 strikes somewhere in the company.” Most of the strikes were usually about job piece rates and the impact was enormous. Under these piece rate schemes an employee’s pay was directly related to the piece rate and how many pieces (parts, components, etc) they produced. These rates were, therefore, the source of frequent union/management disagreement. Also such disputes and any resultant work stoppage needed to only involve a handful of employees that were producing key components and a whole assembly plant might have to close for lack of those parts.

Worse, this process was self-perpetuating. Once other workers saw how even a small number of employees could bring pressure on the company and frequently gain important concessions it only served to encourage them to do the same.

So serious was this impact that during 1969 – 1970, the average paid time per worker per week at Cowley, one of the most militant factories, was only 28 hours per

week out of a scheduled 40-hour workweek. In other words, sending people home because of the lack of parts or other disturbances to orderly operations resulted in non-strikers losing 12 hours or 30% of their pay a week. As a result, Armstrong suggests, “The Company’s competitiveness deteriorated, day by day, and year by year.”

Geoff continued with British Leyland through the 1970s, and in 1979, at the age of only 33 was made the Group Employee Relations Director for all of British Leyland. He had a corporate staff of greater than 2,400 employees plus every one of the 70 company factories also had an HR department. Total employment was greater than 160,000 employees. Such was the breadth and scope of his new position.

And it was at this time that the company had to face up to the fact that it had substantial excess capacity and that overall productivity was too low.

This led to a company wide analysis of where the company was the least efficient and where they were losing the most money. Unfortunately one of the most egregious loss leaders was Abingdon where the company was losing approximately £1000 for every MG. produced.

Described as, “Hopelessly uneconomic” major contributors to these losses were the inefficient production processes at Abingdon, as well as the disproportionate cost to ship parts from all over England to Abingdon for relatively small production runs. But the largest contributor to the MGs demise was the new California exhaust emissions requirements. At that time, California was MG's largest market in the United States and was close to or even exceeded the MG’s market in the UK. Unfortunately the MG engineers concluded there was no way to modify the small MG engines to meet the California requirements, at least without major new investment. Unfortunately the company simply did not have the money, especially for a car that was already losing £1000 on each car that drove off of the assembly line.

The Closing of Abingdon:

Geoff recalls that the decision to discontinue production of the MG was very “...painful because a lot of the senior managers had a soft spot for MG.” But it was economically inescapable that the company had to move away from the inefficiencies of the Abington operation.

Therefore, the closure of Abingdon was one of the very early consolidation and cost reduction decisions taken for the parent company to survive.

Armstrong also clearly recalls the difficulty in communicating the decision to close Abingdon to not only employees but also customers and community interests. For instance, the managing director of Austin Morris, which was the division to which MG reported, had a special late morning meeting scheduled in London on September 10th, 1979. This meeting was to give government ministers and the local Abingdon area Member of Parliament several hours advanced notice prior to announcing the decision to close Abingdon to the general public later in the day.

Immediately thereafter that meeting with the government officials, Armstrong confirms that he was scheduled to have a meeting with national union officials where he was to also give them advance notice of the announcement to close the plant.

However, Geoff recalls the departure from this well laid out plan. He reports that "When the managing director met with the government ministers and the local Abingdon Member of Parliament, the Member of Parliament left the meeting, went straight to a radio station, and announced on the one o'clock news what he had just been told."

Thus, before Geoff could inform the union or the employees, the Member of Parliament prematurely announced the decision to close the plant.

That announcement to close Abingdon was also unfortunately made just two days after a carnival at Abingdon celebrated MG's fifty-year association with the town. September 10th, 1979, became forever known as "Black Monday" amongst MG enthusiasts around the world.

The premature communications complicated union relationships and for a brief time and there was fear of a local strike by Abingdon employees. But in the end the employees also recognized that the closing was unavoidable. Actually, much earlier some employees had seen the company's lack of new product planning and investment for Abingdon as the beginning of the end. Finally, the MG lack of alternatives and necessary departure from the very large California market forecasted MG's departure from the United States, and

constructively the end of the company as all MG lovers had known it.

The only remaining issue was the definition of employee redundancy payments. Once it was known that the company would provide fair and reasonably generous separation payments there was no strike and orderly production continued over the next thirteen months until the plant was closed on October 23, 1980. Given the plant's prime location close to the center of Abingdon, a prosperous and growing market town, the property was later sold. No trace of the MG factory remains. The site has been completely transformed into a business park containing retail stores, other employers and even a large municipal police station. And with that transition Geoff highlights that there are now many more individuals employed on the site of the old MG factory than there ever was as the manufacturer of the prized MGs.

Armstrong assisted in leading British Leyland's efforts to restructure and become more competitive for several more years beyond the closure of the MG plant at Abingdon. Numerous other plant closings were required and thousands and thousands of additional jobs were lost.

And until those actions were completed and new government policies developed by the Conservative Party's Margaret Thatcher, worker relationships suffered. There were even Communist and Trotskyist cells actively driving the trade union movement at some company locations.

In 1981, less than one year after the closing of the Abingdon plant, Mr Armstrong was to be a keynote speaker at Trinity College in Dublin. He was to address the challenges of the British automobile industry specifically and the nation's competitive challenges in general. He had only started his presentation when three intruders in paramilitary uniforms and with masks and guns entered the auditorium from the rear of the speaker's platform. After stating that what they were to do was on behalf of IRA activists who had been on a hunger strike, they shot Mr. Armstrong three times attempting to destroy his knee caps.

Although the terrorists initially escaped one was later arrested, convicted and imprisoned.

Mr. Armstrong survived the attack and returned to work at British Leyland within three weeks. Miraculously he has no permanent effects from the attack.

In 1984 Mr. Armstrong was recruited to join another major UK firm, Metal Box. In 1989, he was asked to join one of the world's largest banks; UK headquartered Standard Chartered Bank, as their chief human resource officer. He served there until he was selected as the Chartered Institute for Personnel Development's Director General in 1992.

Ranging from Armstrong's personal recollections about his own MG-GT and his early and brief time as an Abingdon "fitter" to participating in the actual Abingdon closure, Geoff Armstrong has a unique perspective indeed. And we thank him for sharing it with those of us who continue to love and protect the MGs that remain even if the Abingdon brick and mortar is gone.

