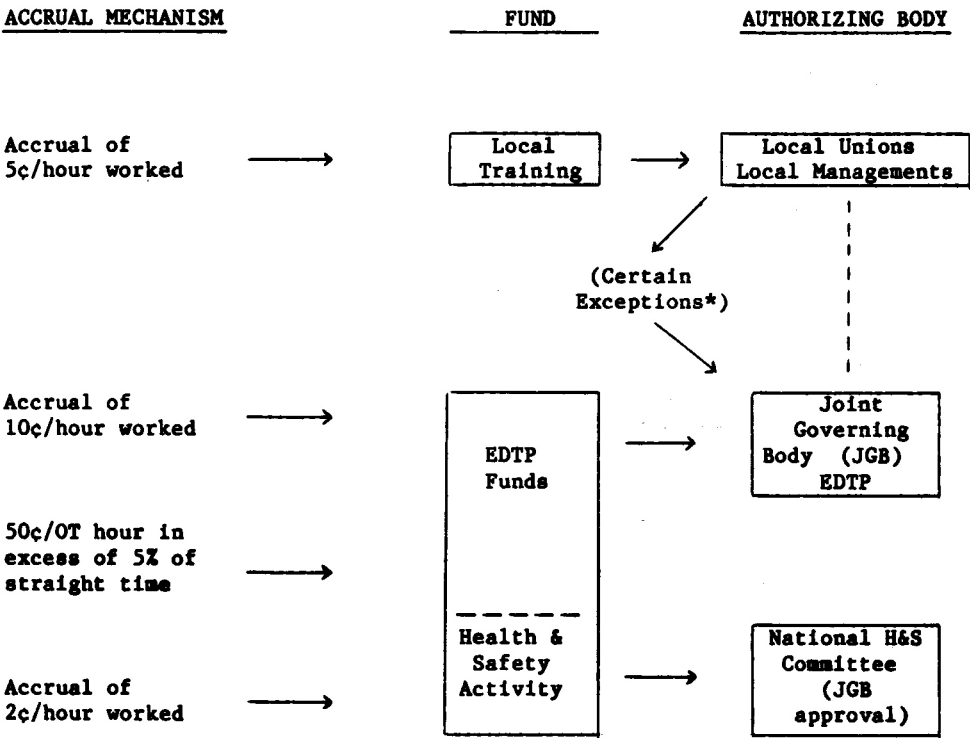


**FIGURE 1: Accruals to the UAW-Ford Employee Development and Training Program (EDTP) Negotiated in 1984**



\* Includes all requests to lease or purchase real property; any purchase of capital items in excess of \$10,000 per item; and any situation where agreement cannot be reached locally and either party appeals. Expenditures reviewed by the Joint Governing Body.

[The End]

# Discussion: EDTP

By Gary B. Hansen

Utah State University

On the basis of the presentations made by our distinguished speakers from Ford and the United Auto Workers Union (UAW), we can look at the UAW-Ford joint Employee Development and Training Program (EDTP) from either the micro or macro level. At the micro level, we can evaluate what happens when the

EDTP is implemented in specific plants and locations during a plant closing or to provide educational opportunities for employed workers. Conversely, at the macro level, we can assess the EDTP in terms of human resource development and/or industrial or social policies at the company, industry, or national level.

Thomas Pasco and Richard Collins have presented an excellent overview of the EDTP and a look at the variety and

extent of services offered. Marshall Goldberg has given us some basic information and perceptive observations about the operations of the Career Services and Reemployment Assistance Centers designed to help laid-off workers in Michigan and displaced workers in plant closures in San Jose, California, and Sheffield, Alabama.

Ernest Savoie has given us a cogent and insightful analysis of current developments in training and retraining arising out of collective bargaining in other industries and a peek at the future agenda for the EDTP from the perspective of Ford. Taken together, these presentations convey a picture of the dynamic UAW-Ford EDTP as a pathbreaking training and development venture.

Because I believe that the philosophy and concepts underpinning the UAW-Ford venture in employee development are of great significance to the nation's economic well-being, I will focus on the macro level of the EDTP and discuss it from that perspective.

During the past decade, informed citizens and groups have expressed a number of concerns about the nation's future. Among the issues receiving considerable attention have been: (1) declines in productivity, major structural changes in the economy, foreign competition, and industrial competitiveness; (2) concern with the education and training systems serving the needs of the nation and its citizens; and (3) increasing concern about workers' quality of life in their places of employment.

The responses to these and other related issues have been extensive and varied. Numerous national commissions,

presidential task forces, academic scholars, industry associations, companies, and unions have studied the problems and issued voluminous reports and recommendations. A few of their recommendations have found their way into legislation, policy, and practice. Interestingly enough, nearly every report and study of these problems has contained similar conclusions and recommendations about issues dealing with workers—particularly their education and development, training, management, and involvement in decision-making. To meet the challenges successfully we need:<sup>1</sup> (1) more worker participation in decisions affecting their lives; (2) innovative approaches to work organization that will permit more participation and greater utilization of workers' skills, commitment, and enthusiasm; and (3) opportunities for education and training (worker self-renewal and career education) for workers locked in dull, repetitive jobs.

For workers in declining industries, we need: (1) provisions for timely notice of major impending changes in workforce levels or plant closings; (2) advance planning for workforce reductions through attrition; (3) industry-specific training, retraining, and relocation programs; and (4) programs for community readjustment. We also need greater investment in job-related training and additional incentives to encourage greater commitment to job training and career development among employees and employers.

And we need labor-management cooperation. Labor and management should examine opportunities and incentives for working together to increase the productivity of their enterprise through training and other appropriate areas. Where

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<sup>1</sup> These recommendations were abstracted from the following sources: *Work in America: Report of a Special Task Force to the Secretary of Health, Education, and Welfare* (Washington: 1973); *A National Agenda for the Eighties: Report of the President's Commission for a National Agenda for the Eighties* (Washington: 1980); Pat Choate, *Retooling the American Work Force: Toward a National Training Strategy* (Washington: Northeast-Midwest Institute, July 1982); *The American Economy in Transition*, The

63rd American Assembly, Arden House, Harriman, N.Y., November 11-14, 1982; *White House Conference on Productivity: Report of the Preparatory Initiatives*, August 2-4, 1983, Pittsburgh (Washington: U.S. Government Printing Office, 1983); William L. Abernathy, Kim B. Clark, and Alan M. Kantrow, *Industrial Renaissance: Producing a Competitive Future for America* (New York: Basic Books, 1983).

appropriate, voluntary labor-management councils should be established to aid this process and to provide such services as defining training objectives and standards or managing training programs.

We also need to change the attitude of learning in business and industry from "It is what we did in school" to "It is what we do every day to make for a better job and a better life." Finally, we need competent workforce management and the mastery of production, the creation of production systems dedicated to ongoing learning and communication, used in tandem with a skilled and responsible workforce and up-to-date technologies.

American industry's response to these and other recommendations of the commissions and task forces over the past 15 years has not been encouraging. It has consisted of a lot of huffing and puffing, some frenetic activity by a few companies to "do something," and a deafening silence on the part of the majority of firms. Unfortunately, few examples of creative thinking, sustained effort, and innovative programming can be identified. The list of firms that have seriously addressed human resource issues and are dealing constructively with them is miniscule.

### **The UAW-Ford EDTP**

Given the general indifference with which private industry and government received the reports, it is all the more remarkable that a few business firms and organizations have implemented many of the commissions' and task forces' recommendations. Among those on that short, select list are the auto industry (represented by Ford, General Motors, and the United Auto Workers Union) and, joining more recently, the Communications Workers of America and AT&T. Remarkably, the charter of the UAW-Ford EDTP encompasses the essence of what the experts have recommended.

On the basis of my limited knowledge and research, I believe that the creation

of the joint UAW-Ford EDTP represents one of the more creative and far-sighted cooperative approaches to human resource development in the private sector in the past two decades. This venture also represents one of the more comprehensive and exciting efforts in employee development and training currently underway in America.

In making these statements, three questions need to be asked and answered: (1) Why and how did Ford and the UAW make the EDTP a reality? (2) Why and how did Ford and the UAW negotiate contract language that addresses nearly all of the major human resource issues cited in the commission reports? (3) What makes the UAW-Ford EDTP exemplary when compared to other jointly developed training and development programs? For complete answers to these questions we need to talk with key personnel from both Ford and the UAW, some of whom are with us today.

While I do not presume to know the full story behind the events leading up to the creation of the UAW-Ford EDTP, my guess is that they would include: (1) the auto industry depression beginning in 1979 which resulted in the subsequent layoff of nearly half of Ford's hourly workforce; (2) the threat of Japanese competition and Ford's eye-opening studies of Japanese auto manufacturing systems; (3) a stable, companywide collective bargaining framework which accommodates centralized joint policymaking; (4) the achievement of a level of "trust" in the relationship between the company and union which allows for more creative and risky ventures; and (5) the state of "readiness" of Ford and the UAW as a result of the implementation in 1979 of a new employee relations philosophy known as employee involvement, which rested on the principle that "people have more to offer than the strength of their bodies—that when given the opportunity, the time and the training, they can and will contribute mightily in terms of positive ideas

that solve work-related problems, improve the work environment, and enhance work relationships.”<sup>2</sup> The 1982 collective bargaining agreement was another step in the development of the UAW-Ford relationship.

While the five foregoing events encouraged joint union-management measures, I believe a sixth event provided the real impetus to the creation of the EDTP: the presence of far-sighted Ford and UAW leaders who have a vision of what can be accomplished if they work constructively and cooperatively with each other and are prepared to act. Several reasons can be given in response to the question, What does the UAW-Ford EDTP encompass that makes it exemplary?<sup>3</sup>

(1) The EDTP embodies broad and noble objectives. In the words of Ford and UAW officials, the program is “a venture to be revolutionary in scope, dynamic in character, responsive to the personal and career needs of UAW-represented hourly employees of Ford Motor Company, and beneficial to the mutual goals of greater job security and increased competitiveness.”

(2) The EDTP is not cut out of whole cloth, but it is another piece in the tapestry of jointism constructed by the parties. It is one of a number of features that were crafted by the company and the union into a broad framework of interlocking arrangements designed to enhance job security, competitiveness, and mutual growth. The EDTP is complementary to and supplements a wide array of other programs and efforts.

(3) The EDTP is more than just a training and development program in the traditional sense. It is intended to be as much a participatory process as a devel-

opment and training program, providing the employee, the UAW, and the company a voice in a variety of new ways. True joint participation means that all interested parties at the national and local levels must have a meaningful role in the process and must feel responsibility and ownership.

(4) The EDTP deals with all hourly employees including the needs of laid-off workers and the needs and expectations of active employees. Most employers show little concern for either group, a few show concern for one or the other group, but very few show concern for both groups.

(5) The focus of the EDTP is on the individual and is participant driven. Programs and requests for assistance are locally initiated. At the same time, it attempts to keep in touch with reality. There is no guaranteed outcome, the emphasis is on creating opportunities and empowering people to improve themselves.

(6) The creation of the National Development and Training Center with a physical home on the campus of Henry Ford Community College and a joint governing body, consisting of key principals from the union and company, provides a permanent institutional base not normally associated with a program of this kind. The small NDTC staff, jointly led by persons drawn from the union and management, provides support and technical assistance to local EDTP committees and espouses a philosophy of networking to the extent practical with existing educational institutions and local community resources.

(7) The EDTP is undergirded by independent, negotiated financial resources. The basic “nickel an hour” fund (which in 1984 was increased to 10 cents per hour

<sup>2</sup> “Statement” of Ernest J. Savoie, Director, Labor Relations Planning and Employment Office, Labor Relations Staff, Ford Motor Company before the Joint Economic Committee, September 23, 1983, p. 2.

<sup>3</sup> Information on the EDTP in items 1 through 8 is based in part on the following: 1982 UAW-Ford Document Estab-

lishing the UAW-Ford Employee Development and Training Program and its National Development and Training Center, Dearborn, Michigan, UAW-Ford NDTC, September 1982; and Ernest J. Savoie, “Effective Partnerships: Employee Development as a Joint Labor-Management Project,” *The Work Review* 3 (August 1984).



worked plus 50 cents per hour accrual for overtime hours worked in excess of 5 percent of straight time) provides the NDTC with sufficient money to be proactive, take risks, and leverage resources with other public agencies in the interests of EDTP objectives. The EDTP is not dependent on the vagaries of public funding or mood swings of Congress for its lifeblood. Witness the current disarray in Title III of the Job Training Partnership Act.

(8) The EDTP is a living, growing concept. It was not created to deliver a limited set of permanent or sacrosanct programmatic activities in the same way in every plant or community. The EDTP was given flexibility and freedom to grow and reshape itself over time, based upon the expressed needs of employees and the resources and opportunities available in their communities. The expansion of the EDTP's available resources and other changes in the 1984 collective bargaining agreement demonstrates the validity of this point.

(9) The EDTP works. The results of the first three years speak for themselves. As outlined by Messrs. Pasco, Collins, Goldberg, and Savoie, the programs, the leadership, and the initial outcomes of completed projects all suggest that Ford and the UAW have created a winner.

### **Future Challenges**

What about the future of the UAW-Ford EDTP? Are there any challenges ahead? My answer is yes, there are many challenges ahead, the following.

(1) Company and union commitment and support for the program must be maintained. Changes in company and union leadership could result in a loss of interest and involvement over time, especially in the face of pressures for a "return to normalcy" in company-union relationships during prosperous times.

(2) The momentum, excitement, and sense of high purpose the new venture presented to NDTC founding staff and

support personnel must also be maintained. Changes in personnel, growth of bureaucracy, routinizing of services, and complicated procedures come with the passage of time.

(3) We must hold fast to basic principles: flexibility, focus on the individual, keeping in touch with reality, true joint participation and multiple creation, and the desire to "try." These principles are the heart of the EDTP, and must be preserved in order to ensure the vitality of the program.

(4) Effective linkages between the EDTP and the internal industrial training system at Ford must be established. Has industrial training at Ford been modernized and vitalized? Will the efforts of the EDTP and the internal training system be mutually supportive for both, or will they be operated as separate and isolated systems?

(5) Career ladders and promotion opportunities must be developed for workers who take advantage of education and training provided through the EDTP. Will the EDTP contribute to the expansion of human capital for Ford, or will it serve as a vehicle to prepare workers to seek opportunities elsewhere?

(6) Work must be redesigned to accommodate the learning environment and cooperative ethos which EDTP is capable of inculcating. Not all workers can move up a career ladder or be promoted to higher level positions. Can work at Ford be redesigned or organized to take full advantage of and foster human resource development in harmony with the goals of the EDTP?

(7) Expertise and experience must be developed at the local level to use the revenue generated by the new local training funds (accrual of 5 cents per hour worked) wisely and creatively. Local EDTP Committees will have to be careful not to be snookered by charlatans and consultants who have one patent medicine for every problem, whatever its symp-

toms, and are eager to sell it in fancy packaging at premium prices.

(8) Taking on too many additional functions should be avoided. There is a real danger that the NDTC may be given so many desirable new tasks and assignments that it will become fragmented and lose sight of its primary purpose of fostering human resource development.

(9) Effective control and leadership over the EDTP must be maintained. "Professionals" in educational institutions with their own vested interest (and declining markets) should not be permitted to talk NDTC staff and EDTP committees into signing long-term agreements or into buying "off the shelf" courses, which may not be relevant to the real needs and interests of Ford workers. Government officials directing the Job Training Partnership Act programs should not be allowed to subvert or change the program directions in the interests of larger or ill-defined social goals.

(10) Converts to EDTP should be recruited, both internally and externally. Sufficient resources be made available on a continuing basis to share ideas and disseminate information about the EDTP and its philosophy to others in order to have an impact on the larger society. Other employers and unions, as well as

some Ford and UAW people, need to hear and believe the word if there is going to be continuing progress.

The UAW-EDTP is unique because no similar program exists in any other industry in the United States at the present time, with the possible exception of the new AT&T-CWA efforts. The EDTP, with its extraordinary principles, dynamic level of activity, innovative funding, and record of success, serves as an exemplary but lonely beacon. It is a prototype of the kind of cooperatively run institutions and new human resource development approaches that are desperately needed in America if we are to be competitive in the world economy of the 21st Century.

I am not as optimistic as some about achieving progress throughout the rest of the economy. The decade is half over and, with a few notable exceptions such as those discussed by this panel, training remains "one of the untapped, unworked areas of labor-management relationships" in American industry today. It is my hope that Ford and the UAW will continue to lead the way and that other firms and industries will "see the light" and learn from their experience.

[The End]

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## Negotiated Approaches to Job Security

By Sheldon Friedman

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Research Director, International Union, UAW

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In the 1984 round of auto negotiations, there was no higher priority on the UAW's side of the table than to achieve meaningful improvements in our members' job security. This paper is an attempt to analyze the developments

which led to the emergence of job security as our number one bargaining priority. It goes on to describe some of the pertinent results of those and other recent major UAW negotiations.

By way of background, as recently as 1978, the U.S. auto industry and its workers were riding the crest of more than 30 years of robust secular market growth.