

# Employees Management Analysis at Ford Motor Company

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## Abstract

*Employee management as an important part of the human resource management of a company's development has played a crucial role. In this paper, Ford Motor Company, for example, a detailed exposition of the Ford Motor Company on good management of Employee. From a Ford plan, employee satisfaction, employee engagement, leadership development, develop future talent five points of view of employee management and development. This paper studies the Ford Motor Company from 2007 to 2012 the average annual employment of employees, employee satisfaction of Ford's staff management. Professionals available for reference.*

**Keywords:** Employee management; Supporting ONE Ford; Employee Satisfaction; Employee Engagement Analysis; Leadership Development; Developing Future Talent

In a company, analysis on staff management is an important work of human resource management. In order to make the reader a better understanding of how the company is managed staff paper from Ford Motor Company's employee management for a detailed description and explanation.

## 1. Ford Motor Company Profile

### 1.1 Basic Introduction

Ford Motor Company is one of the world's largest automotive companies. 1903 founded by Mr. Henry Ford in the U.S. city of Detroit. Now Ford Motor Company is the world's super-multinationals headquartered in Dearborn, Michigan.

### 1.2 Employees

Here at Ford, employees are the driving force behind Ford's success. Ford's recent financial recovery can be attributed in large part to the dedication and strong performance of Ford's workforce, which pulled together under Ford's ONE Ford plan to restructure and return Ford's North American operations to profitability. The same plan is currently guiding Ford's restructuring efforts in Europe, where Ford made the difficult decision to close two U.K. facilities in 2013 and end production at a major assembly plant in Genk, Belgium, at the end of 2014.

Today, Ford is hiring again in North America and in other parts of the world. In the U.S., Ford has filled more than 9,000 of the 12,000 new hourly jobs Ford forecasted to deliver by 2015 during 2011 contract discussions with the UAW. In 2012 Ford added more than 8,100 combined hourly and salaried jobs in the U.S., and in early 2013 Ford announced plans to hire 2,200 more salaried workers. In Asia Pacific and Africa, Ford added 2,470 hourly and salaried jobs in 2012 to help keep pace with product demand in that region<sup>[2]</sup>.

As the Company continues to strengthen and grow in many regions, Ford's employees are able to share in our success. In early 2013, for example, eligible U.S. hourly employees received average profit-sharing payments of \$8,300 for the 2012 performance year. Salaried employees also received bonuses under the Annual Incentive Compensation Plan.

Ford Company has a compelling vision of building cars and trucks that deliver the very best in quality, safety, fuel efficiency and design. And their employees are helping them do just that. A skilled and motivated workforce is the essence of Ford – today and in the future<sup>[3]</sup>. They're focused on developing a diverse, skilled and motivated team, while providing a safe, respectful and inclusive environment.

Their goal is to attract, develop, engage and retain the talent they need to Go Further. To grow their pipeline of talent, particularly in the areas of science, technology, engineering and math (STEM), they're reaching out to diverse communities through our Partnership for Advanced Studies, professional organizations such as the Society for Women Engineers, and various scholarship programs.

Ensuring a great place to work requires an understanding of employee satisfaction and what employees value about being part of Ford Motor Company. They engage employees as individuals and foster leadership development in a diverse environment where people feel valued and included. A safe workplace and a healthy workforce are also critical elements of their strategy<sup>[4]</sup>.

In the U.S., automakers are competing for talent, and they have stepped up our efforts to find the best people. They are using social media more than ever in our recruiting efforts and hosting webinars and virtual career fairs to expand their reach.

As of December 2012, they employed approximately 171,000 individuals globally. Ninety-five percent of the hourly employees in their automotive operations are covered by collective bargaining agreements and are represented by 39 different unions globally. In the United States, approximately 99 percent of these unionized hourly employees in their automotive sector are represented by the UAW. Approximately 2 percent of their U.S. salaried employees are represented by unions. Most hourly employees and many non-management salaried employees of their subsidiaries outside the U.S. are also represented by unions<sup>[5]</sup>. These unions are key partners with Ford in providing a safe, productive and respectful workplace. Company employees in 2007 to 2012 in Table 1 below:

Average number of people employed

**Table 1: Employment by Business Unit**

	2007	2008	2009	2010	2011	2012
Total	246,000	213,483	176,783	165,489	165,968	171,000
Automotive	235,000	203,316	168,610	158,470	159,540	165,000
Financial Services	11,000	10,167	8,173	7,019	6,428	6,000

Table 1 shows: these employee numbers do not include dealer personnel; 2009 employee numbers have been adjusted to reflect the new accounting standard on the deconsolidation of many of their variable interest entities.

### 1.3 Supporting ONE Ford

While they have many types of employees and work arrangements, all of their employees together create a skilled and motivated team aligned around their overall ONE Ford objectives. Their ONE Ford plan aligns their efforts toward a common definition of success: having ONE Team, ONE Plan and ONE Goal for an exciting, viable Ford that delivers profitable growth for all. ONE Ford also provides consistent goals and expectations for employees – whether they work in the U.S., China or one of their other global locations – with a clear focus on the skills and behaviors they must demonstrate to accomplish their goals<sup>[6]</sup>. All members of their global team are held accountable for incorporating ONE Ford into their daily work.

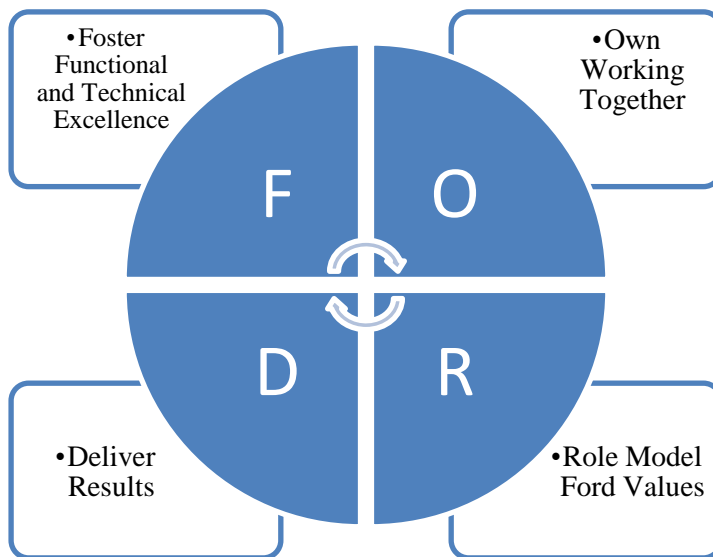
They have integrated ONE Ford into their people processes to support employee development and drive accountability for moving the Company forward while demonstrating expected behaviors that are fundamental to the success of ONE Ford:

- F: Foster Functional and Technical Excellence
- O: Own Working Together
- R: Role Model Ford Values
- D: Deliver Results

Over the last few years, implementing the ONE Ford plan has meant that they have focused their strategies on four key goals: creating a great place to work; developing a capable and effective workforce; aligning their organizational structure with their global business footprint; and providing the “people”- related processes to support their workforce.

In early 2012, they extended the ONE Ford approach with their new Go Further campaign, which embodies their commitment to their customers. ONE Ford is their roadmap and plan, while Go Further is the promise behind their efforts.

**Figure 1: Supporting ONE Ford**



## 2. Employees Management Analysis

### 2.1 Employee Satisfaction

Each year, they ask their salaried workforce to participate in the Pulse survey to gain insight into employees' overall satisfaction with the Company, their jobs, diversity and other aspects of their workplace experience. They encourage their employees to provide candid feedback, and they benchmark results and participation externally. Results of the survey are incorporated into their business planning review processes. Improving Pulse scores is an annual performance objective for many of their senior managers.

In 2012, 75 percent of their salaried employees across the globe participated in the survey, which included a total of 55 multiple-choice questions across 12 dimensions of workplace life, including training and development, management's commitment to diversity, and workplace safety practices. The results of the 2012 survey were highly favorable, with nine of the dimensions improved over 2011 and two unchanged. One dimension, which measured employee awareness and understanding of the Company's Go Further brand promise, was new for the 2012 survey.

The Employee Satisfaction Index (ESI) section of the survey, which asks employees' questions such as whether they feel valued at work or whether they believe they are rewarded for their job performance, increased 2 percentage points from 2011. Considered the bellwether of employee satisfaction, Ford's ESI score is 5 percentage points above the Company's benchmark, which is comprised of a group of Fortune 500 companies.

Within the ESI, the highest score – 13 percent above the external benchmark – was for the question that asked employees whether they feel satisfied with the information they receive from management on what's going on with the Company.

This year's survey also showed improvement – an increase of 4 percentage points – over last year in the area that measures management's commitment to diversity. Two of the five questions that improved most were from the diversity category<sup>[7]</sup>.

Not all questions saw improved results, however. Questions that resulted in lower scores this year included:

- (1) "My workload does not interfere with my ability to do a quality job" – down 2 percentage points from the prior year to 64 percent.
- (2) "My work group planned actions based on the results of the last Pulse survey" – down 1 percentage point to 66 percent.

In 2012, they surveyed hourly employees on health and safety, along with other topics, for the first time. The objective was to collect feedback from their hourly workforce to establish baseline metrics, measure the effectiveness of the ONE Ford strategy and its impact on employee satisfaction, and guide continuous improvement efforts in their manufacturing operations. Plant locations in nine countries participated, generating feedback from more than 22,000 employees. The survey included a minimum of 20 questions that were consistent with questions asked in the salaried Pulse survey. Regions could add more questions as needed. The most favorable responses were around Company mindset and quality work practices. Results were slightly below the salaried workforce scores, but within 10 percentage points. Improvement efforts will focus on the effective implementation of their overall Ford Production System, which encompasses safety, quality, delivery, cost, people, maintenance and environment. As part of their efforts to increase satisfaction, they are constantly improving their strategies for fostering open dialogue with employees<sup>[8]</sup>.

In addition, each year following the survey, they send managers and supervisors throughout Ford a report that shows how their specific teams responded to the questions on the survey. The goal is for the managers and supervisors to then meet with their work group, discuss the results, and plan changes to improve the way their teams function. Employee Satisfaction, Pulse Survey as shown in table 2.

Percent satisfied

**Table 2: Employee Satisfaction, Pulse Survey**

	2007	2008	2009	2010	2011	2012
Employee Satisfaction Index	64	66	68	68	69	71
Company Success Mindset	82	85	85	84	84	86
Management Commitment to Diversity	77	80	81	82	82	86
Overcoming Workplace Obstacles	60	62	64	62	63	66

As can be seen from Table 2: each year, they ask their salaried workforce to participate in the Pulse survey to gain insight into employees' overall satisfaction with the Company, their jobs, diversity and other aspects of workplace satisfaction.

In 2012, the Employee Satisfaction Index continued a nine-year trend of scores equal to or better than the prior year. The topic of Management Commitment to Diversity continued a six-year trend of scores equal to or better than the prior year.

## 2.2 Employee Engagement Analysis

(1) Keeping their employees engaged with their Company overall, and encouraging them to stay connected with their peers and their communities, is an essential component of their people strategy here at Ford. They believe it's important to communicate with their workforce in ways that are open and transparent. They do so through a variety of interactive forums, from "town hall" meetings to intranet surveys and chats, from joint labor-management committees to diversity councils. They also use several publications, such as plant newsletters and their @Ford magazine, to communicate the latest information on the state of the Company and their products. In recent years, they have also increased their use of social media applications, such as Facebook, to inform and connect with their employees.

(2) For their hourly employees, they work closely with their unions to develop agreements and governance plans over changes in their operations (e.g., reorganizations, plant shutdowns, employee transfers and reductions). In addition, joint labor/management committees are set up at each plant to give employees an opportunity to influence working conditions and practices.

(3) For their salaried employees, most of whom are not covered by union agreements, they have a strong Code of Conduct and comprehensive Policy Letters and Directives covering topics, including diversity, relevant to their employees. They also practice regular two-way communication with all employees through webcasts, executive Q&A sessions between senior leadership and staff who wouldn't typically have face-to-face meetings with top-level management, quarterly "town hall" meetings, manager-to-employee business cascades, surveys and informal communications. They survey their salaried employees twice annually using the Global Pulse and Engagement survey.

(4) Their employees are also their customers, and they can be strong ambassadors for their products. In Michigan, information sessions called “Go Further Employee Events” are held to give employees the opportunity to view, learn about and test drive yet-to-be-released vehicles. This lets the employees see how their products are meeting the needs of customers, while providing factual information about the vehicles. Their employees can then promote the vehicles to their friends and families, which, in turn, can increase sales and help to strengthen the Ford brand.

(5) Their Employee Resource Groups also conduct a number of events and initiatives each year to engage their employees, provide product insights and reach out to their communities.

(6) They also believe it’s important to engage their people within the communities in which they operate. Each year, they offer ways for thousands of their employees and retirees to participate in volunteer programs. They see these programs as not only critical to helping those in need, but pivotal to inspiring and energizing their employees around volunteerism and community service. Through these community initiatives, they support teamwork and build a sense of shared purpose and commitment.

### **2.3 Leadership Development**

Employee development is crucial to delivering their vision of building great products that contribute to a better world. The most important thing they can do is stay focused on creating a skilled and motivated workforce. They do that by continuing to invest in their employees, strengthening their technical and leadership skills and recognizing them for delivering results that cultivate success. As they continue to grow their Company, they must also continue to grow the capabilities of their people.

They have been standardizing, simplifying and integrating talent-management processes; implementing global competency frameworks; and enhancing leadership development programs for experienced managers. And, they believe they have fostered a flexible and safe working environment in which people are respected and valued for the work that they do.

All employees at Ford are encouraged to invest in their own professional development by developing an Individual Development Plan, or IDP, to help them meet current and future goals while maximizing performance in their current assignments. Using the IDP, employees work with their managers to help them identify strengths and areas for improvement, and then create customized plans for their individual developmental needs.

They provide a comprehensive range of learning and development resources that align with ONE Ford and the key competencies required to support each functional area. These resources include virtual, web-based and classroom training, experiential learning, special projects, task forces, mentoring and coaching, social networking, and team “lunch and learn” and other similar workshops. All of these seek to foster functional and technical excellence, encourage teamwork, promote Ford values and enhance our ability to deliver results.

Similar to our vehicle development strategy, our learning and development strategy has been to leverage our global scale and standardize as much as possible. They are creating internal “colleges” that provide education and training in areas ranging from finance and information technology to product development and marketing. They also offer global leadership development programs including the following: the Global Leadership Summit, which is aimed at executives and general managers; the Global Executive Leadership Program, which is geared toward directors and senior managers; and the Experienced Leader Program, aimed at middle management. They also offer the Salaried Supervisor Institute/Program (SSI) for new or experienced leaders who want to enhance their ONE Ford skills. ONE Ford is designed to build our employees’ individual capability as well as our organization’s capability to drive the business forward.

### **2.4 Developing Future Talent**

They’re also focused on ways to develop our workforce of the future. Looking ahead, they will need to fill an increasing number of positions with highly skilled individuals who have backgrounds in specialized and technical fields of study. Yet, they recognize an impending shortage of candidates with these skills. As such, they have developed a STEM (Science, Technology, Engineering and Mathematics) strategy, championed by our CEO and executive leadership team, which leverages our current programs to develop skills for the future. Developing a future pool of talent is essential not only to the success of Ford Motor Company, but also to the success of our dealers, our suppliers and the overall automotive industry.

Through partnerships with the Ford Fund and the community, they have actively supported programs that build these skills. They are also developing our own programs targeted at students along the education pipeline. Examples of Ford's STEM outreach include:

Ford Partnership for Advance Studies (PAS), Next Generation Learning: The Ford PAS program mobilizes educators, employers and community leaders to create a new generation of young people who will graduate from high school to be both college- and career-ready. Learn more in the Community section.

Ford's High School Science and Technology Program (HSSTP): The HSSTP is designed to raise awareness among high school students about technical careers and demonstrate the importance of science and math in industry.

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