

SURVIVING THE BUYOUT

Skill-building eases job transitions as automakers shrink workforce

BY JEWEL GOPWANI • FREE PRESS BUSINESS WRITER • July 7, 2008

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When Jeremy Diebel joined American Axle & Manufacturing almost 14 years ago, he took this attitude with him: "If you're going to do something, it's worth overdoing."

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Within six months at the Detroit supplier, Diebel started machining axles, one of the most technical jobs in the plant. When his machine broke down, he closely watched the skilled-trade workers who fixed it. He consistently volunteered to learn new jobs.

"The things that I learned from these people, you can't take away from me," said Diebel, who said he had expected to retire from American Axle with a pension and benefits.

That was not to be. But Diebel's approach paid off.

With his skills, Diebel found a new job as a shift leader in a South Carolina parts plant. He took a buyout from American Axle -- where workers in May accepted wage and benefit cuts after a bitter 3-month strike. So far, Diebel's experience represents a successful buyout story at a time when thousands of workers throughout the auto industry are taking the same chance.

Nearly 19,000 workers at General Motors Corp. have accepted buyouts or retirement offers. Similar programs are under way at certain locations at Ford Motor Co. and Chrysler LLC. Later this month, the buyout window is slated to close at American Axle, where about 2,000 workers are expected to leave the company as the supplier shrinks its workforce.

Many more workers at auto suppliers face layoffs without the cushion of a buyout, and instead may leave with a few weeks of severance pay. The changes have forced thousands of workers to look for new careers.

Career experts suggest that workers facing a transition evaluate their skills to determine what they can do in other fields. Eudora Adolph of AverTrust Advisors LLC said manufacturing experience transfers well to the production of medical devices, for example.

She said workers must ask: "What is my core skill set? What do I really know how to do?"

Skill-building as a job-saver

Last month, automakers and auto suppliers employed about 162,500 workers in Michigan, a figure that has dropped by nearly half in the last decade.

Those who remain at automotive and auto parts factories -- and those who may soon join the auto industry at lower wages than their predecessors -- face a new reality in the industry: a job that won't keep on giving and probably won't last to retirement.

It's this new reality, career and education advisers say, that makes Jeremy Diebel's attitude of constant learning important.

That's why Macomb Community College is launching a new program this fall in mechatronics, which combines courses in the mechanical and electronic fields to design, build and fix automated manufacturing systems.

"Once you've got a job, you've got to continue building your skills even while you're in it," said Joe Petrosky, dean of engineering and advanced technology at the college.

Career advisers suggest workers take advantage of union and company plans that reimburse employees for tuition.

Through their UAW contracts, American Axle, Ford Motor Co. and Chrysler LLC reimburse workers for courses, usually toward a degree. Some companies also will reimburse retirees for tuition and active workers who take job-related classes.

A tough decision

This week, Diebel, his wife, Linda, and their three children will move to Summerville, S.C., for Diebel's new job at Weber Automotive. They will leave their home in Brownstown Township, where Linda's three sisters also live.

It was a tough decision to leave Michigan, and the couple at first decided to stay.

As the Diebels prepared to cut their expenses to adapt to a pay cut at American Axle, they considered moving into a smaller home, selling their boat and replacing their SUVs with cars.

"If we were going to sell the house anyway, why not take the chance and make the move?" Jeremy Diebel said about their conversation in the kitchen of their home, which is up for sale.

"I just swallowed hard," Linda Diebel recalled, "and said, 'We win together and we lose together.' "

But making such a move is tougher for others.

"I have kids and I have a family. I really don't want to relocate," said Otis Evans of Detroit, a pipe fitter at American Axle who decided to take a buyout and is waiting to learn when he'll leave.

Evans, 37, worried that with only 11 years' seniority, he could be laid off. So he plans to pursue a master's degree in psychology, building on a bachelor's degree from Wayne State University.

"They can never take that away from you, your degree and your diploma."

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TIPS FOR WORKERS ON THE JOB -- OR ON A BUYOUT

On the job:

- Take advantage of internal training offered by employers and unions.
- See if your company has a tuition-reimbursement plan. American Axle's plan offers up to \$4,000 a year to workers who take college courses or job-related classes. Ford Motor Co. offers up to \$5,000 a year for active employees working toward a degree and \$1,750 for retirees. Chrysler LLC offers up to \$5,000 a year toward a degree and \$2,050 for job-related courses.

Taking a buyout:

- Try to figure out what you can do with the skills you learned from your previous job. Auto manufacturing tends to translate well to the production of medical devices. Maybe your expertise is not in manufacturing. If you were a union mediator, maybe it's in settling disputes.
- As you decide what you want to do, talk to people who are in the field.
- Look for scholarships and retraining grants. For instance, the state offers up to \$10,000 for two years of tuition assistance for "high-demand" occupations, such as health care, bookkeeping and auto repair. It's available to people who are out of work or whose family income is \$40,000 or less.

Sources: Companies, AverTrust Advisors LLC, financial adviser Eudora Adolph, career coach Randall Cripe, State of Michigan

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Do you need help figuring out what to do next? Are you employed at a plant and want to improve your skills to find a new job?

Go to freep.com at 11 a.m. today with your questions. Financial and career adviser Eudora Adolph and Joe Petrosky, dean of engineering and advanced technology at Macomb Community College, will be on hand for an hour-long Web chat to answer your questions.