

Ford targeted older salaried employees during 2019 layoffs, documents in age discrimination lawsuit reveal

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Ford Motor Company specifically targeted older salaried employees for layoff in a bid to shed pension and other employment expenses during its years-long, multi-billion-dollar cost-cutting campaign, according to recently unearthed emails. The documents, uncovered as part of a class action lawsuit against the company, were obtained by the *Detroit Free Press*, which published extended interviews with a number of the employees involved in the suit on Friday.

The layoffs took place in 2019 under then-CEO Jim Hackett, who was elevated to his position in 2017 and tasked with carrying out a sweeping restructuring of the company's global operations to reinvigorate Ford's slumping share price. Despite an international campaign involving plant closures and thousands of cuts to white and blue collar jobs, Hackett's "turnaround" plan was ultimately judged to be insufficiently aggressive by Wall Street and he was ousted in 2020, replaced by current CEO Jim Farley last October.

Ford laid off at least 7,000 salaried employees in 2019, 10 percent of its global white collar workforce, as part of its euphemistically named "Smart Redesign" restructuring, as well as 12,000 mostly hourly workers in Europe.

The layoffs were part of what the WSWs *Autoworker Newsletter* characterized at the time as a jobs bloodbath throughout the auto industry, including most notoriously the 14,000 job cuts and five plant closures by General Motors announced in November 2018. Despite years of record profits, the corporations were seeking to offset stagnating sales and the investment costs in electric vehicles by slashing their workforces and ramping up the output of those who remained.

The lawsuit by a group of salaried employees at Ford, many if not all of whom were in management positions, was initially filed in June 2019, shortly after their termination the prior month. Their suit accuses Ford of violating federal labor and tax law, as well as civil rights protections against age discrimination, when it targeted employees for layoff who were older and had higher pension costs. Ford employees hired before 2004 qualified for pensions, which have come to be viewed as an intolerable drain on profits by America's financial oligarchy.

In one December 2018 email quoted by the *Free Press*, a director of a Ford vehicle line at the time told his ex-wife: "As you probably have heard, Ford is in the process of a 'Smart Organization Redesign' that is targeted to eliminate 25% of the LL6 through LL2 [a salaried pay grade rating] population by 2nd quarter 2019. They are targeting the most senior leaders first (29+ years of service and 50+ years old)."

According to the suit, Ford hired an outside firm, Boston Consulting Group, which developed an algorithm to find which employees' termination would reduce costs the most, using birthdates and the number of years employed as factors.

The *Free Press* cited an email from Ford's "chief people and employee experience officer," Kiersten Robinson, who wrote to the consulting group in May 2019 shortly before the layoffs were carried out. Robinson described a board of directors meeting on the layoffs in which they "challenged" whether the layoffs were "aggressive enough" and pressed to make sure "junior" (i.e., younger and lower-cost) employees would be elevated after the cuts: "Thank you again for your help with the BoD [board of directors] discussion

on SRD [Smart Redesign]. Overall it went well. There was sensitivity in the room to the employee sentiment, a desire to understand the communications plan, challenging whether we are being aggressive enough and a request to understand/ensure we are using this process to identify and elevate junior talent in the organization. Not sure how we realize this last request. Would love your thoughts.”

A number of those interviewed by the *Free Press* say that they were months or even weeks away from reaching pension milestones, with the result that their termination left them with only a fraction of the retirement income they had expected. Requests to find some means to bridge the time to reach full retirement age, even if it meant demotion or pay cuts, were coldly rejected by Ford, they said.

One parts distribution manager told the *Free Press*, “I would have retired at age 50, which is next year, making \$60,000 a year in pension. Now I have to wait until age 62 to get \$10,500 in pension a year.”

Describing the abrupt manner of his firing, he said he was called into a Ford facility and told his employment was ended “that hour.”

“I had my company car, a Flex, and had to give up my only means of transportation. I couldn’t even get home. I couldn’t pick up my daughter from school. They told me to call Uber but it was such a small town.”

While Hackett himself was ultimately pushed out from his position as CEO, his fate stands in stark contrast to those who suffered the jobs axe below him. Hackett received total compensation of \$17.4 million in 2019, and in 2020, he received \$16.7 million for just nine months.

Meanwhile, Ford’s large investors are reaping the benefits of the staggering rise in the stock markets during the course of the pandemic, fueled by the provision of virtually free money by central banks. Ford’s share price has risen substantially over the last year, more than tripling since it hit a low of nearly \$4 a share in April 2020. The company’s stock is now trading at its highest level in over five years.

Although the lawsuit centers on Ford’s ruthless treatment of white collar employees—whom in many cases it tossed aside after decades of employment—it is of a piece with the brutal attacks the company has been carrying out on its global workforce for decades.

Ford, along with the other automakers and large industrial firms, has long been seeking to rid itself of “legacy” workers, particularly those with pensions and relatively better benefits, which themselves were the product of struggles carried out by earlier generations. The Big Three companies have relied upon the willing assistance of the United Auto Workers union to shred these gains and force out older workers through speedup and other means, increasingly replacing them with low-paid temporary workers, an employment category with virtually no job security or benefits.

Pointing to the connections between the company’s callous treatment of both salaried and hourly employees, a Ford worker in Louisville, Kentucky, told the *WSWS Autoworker Newsletter*, “The exact same thing is happening in the plants, especially to people who have been injured.”

He said he had seen management harass senior coworkers, looking for ways to push their output to the limit. “They do a time study on older people, and ride them hard. I’ve seen them make fun of an older guy because he couldn’t keep up. They changed his job so he was doing two people’s work. He was walking like 15 miles a day, while he was on dialysis two times a week after work. He never complained, always did his job and kept up. They’re ruthless.”



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