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# New boss a mystery to UAW

His lack of union experience adds uncertainty to talks

August 7, 2007

**BY JOE GUY COLLIER**  
 FREE PRESS BUSINESS WRITER

Just weeks into contract talks with the UAW, Chrysler LLC owner Cerberus Capital Management has added a huge dose of uncertainty by naming Robert Nardelli, an executive who has almost no track record with unions, as its chairman and chief executive officer.

The timing of the move is unsettling, said Gary Pacheco, a 51-year-old UAW member and worker at Chrysler's Trenton Engine Plant.

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Until Monday, Cerberus said it had faith in former Chrysler CEO Tom LaSorda and the turnaround plan crafted by his management team.

But in its first full business day of control, Cerberus pushed LaSorda to No. 2 and brought in an executive with no auto experience.

"Personally, as a Chrysler employee, I'm going to have a real hard time believing anything they tell me," Pacheco said.

Getting a read on how Nardelli will approach the UAW is difficult. The AFL-CIO singled out Nardelli as a symbol of excessive executive pay earlier this year for his \$210-million severance package from Home Depot.

But unions have had little, if any, direct influence at Nardelli's previous two companies.

Like many major retailers, Home Depot has pushed back efforts to unionize its workers. General Electric Co., where he spent the bulk of his career, has a workforce that's 6% union.

At General Motors Corp., Ford Motor Co. and Chrysler, almost all hourly employees and some salaried employees are represented by a union.

During a news conference Monday in Auburn Hills, Nardelli said he had met with UAW President Ron Gettelfinger and assured the him that LaSorda and his negotiating team will continue to be "intimately involved in taking on what could be a landmark negotiation period."

Nardelli indicated that during the meeting, Gettelfinger brought up the large pay packages of Nardelli's past, but he said the meeting with Gettelfinger went well.

Nardelli, along with LaSorda, spent two hours with Gettelfinger.

"I found him to be just a wonderful individual -- very engaging," Nardelli said about Gettelfinger. "Clearly, he did his homework about me and we had a great exchange with one another."

Labor experts had different takes on the impact of Nardelli's appointment. It likely will not affect the current talks, said Michael Whitty, a University of Detroit Mercy labor relations professor. Chrysler would be foolish to change strategies with the contract set to expire Sept. 14, he said.

"The last thing any of the car executives want to do is stick their thumb in the eye of the union," Whitty said.

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(KATHLEEN GALLIGAN/Detroit Free Press)

Tom LaSorda, left, Chrysler's president and vice chairman, addresses a crowd of employees Monday outside of the company's Auburn Hills headquarters. With him are UAW President Ron Gettelfinger and new Chrysler Chairman and CEO Robert Nardelli. Labor experts had different takes on the impact on union talks of Nardelli's appointment to chief executive officer.

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But Gary Chaison, a professor of industrial relations at Clark University in Worcester, Mass., questioned whether Cerberus and Nardelli might be willing to push their luck with the UAW -- and that it might backfire on them.

GM CEO Rick Wagoner has spent his entire career at GM. He has a history with the UAW. Alan Mulally, Ford's new chief executive, worked with unions at Boeing Co.

"I think the problem there is going to be is that there isn't the understanding that usually occurs in the automotive companies about how far you can go," Chaison said. "The history of negotiations has always been important. All of that is really thrown out the window right now."

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.com. Business writer Tim Higgins contributed to this report.

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**scherry2**

cope3081

Joined: 07 Aug 2007

Posts: 1

Location: Union Free Part of N. Texas

Posted: Tue Aug 07, 2007 1:34 pm Post subject: Toss Em out!!!!

If I were in charge of any of the Ford, GM or Chryslers I would walk into the meetings with the UAW and inform them that we were no longer interested in renewing the UAW contract.

great first post. 😊  
thats why your NOT.

there are laws and rules and regulations obviously you don't know that or you wouldn't have posted such a stupid statement.

what do you do for work? let me know so I can talk to your boss, I think your job can be done by someone for less money than you, maybe in India.

hows that sound.  
think before you post

Posted: Wed Aug 08, 2007 5:34 am

**Ultimate Patriot**

Jolo, why do you think there is 2-3 monthes of inventory? Because it's models that people don't want.

Cope, you just don't replace 500, 000 people overnight.

Posted: Tue Aug 07, 2007 9:29 pm

**Lenn\_A**

cope3081 - get a grip, yes, they have to bargain with the union, the law is called the National Labor Relations Act. Not a chance in hell that the companies can do anything to throw the union out. Decertification, by law, must be initiated by the rank-and-file membership.

They could take the route of being hard-\*\*\*\*\*es during the negotiations, in hopes of the negotiations reaching an impasse, and attempt to impose terms on the union, but 1) that guarantees a strike and 2) it also guarantees a grievance files with the National Labor Relations Board. Even though that legal body is stacked with Bush appointees, if that body, or on appeal, the federal courts find that the company bargained in bad faith, there are financial sanctions that can be imposed. Not to mention that the company can be ordered back to the bargaining table under the "supervision" of a federal mediator. Not many companies have gone that route, and those that have ended up with disastrous results.

Posted: Tue Aug 07, 2007 5:01 pm

**cope3081**



I tell you what, If I were in charge of any of the Ford, GM or Chryslers I would walk into the meetings with the UAW and inform them that we were no longer interested in renewing the UAW contract. Is there something that says these companies have to renew the contract?

Posted: Tue Aug 07, 2007 2:34 pm

**Lenn\_A**

jolo, I never said I trusted the new management team at Chrysler. As a former Home Depot shopper, I don't think

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much of Nardelli, and if he pulls the same thing at Chrysler, it's going to cost Chrysler big time. If Cerberus Capital Management has the idea that taking a hard line with the unions is a way to contain costs, they can forget it. They will be able to push the UAW to an extent, but the CAW will strike in a heartbeat, and Chrysler is even more dependent on its Canadian operations than Ford or GM are. Furthermore, no one has calculated, nor can they calculate, the reactions of the rank-and-file UAW members. Most of them, the hourly UAW represented employees, are on pins-and-needles as it is, but let these negotiations show even hints of a hard-a\$\$ position by any of the Big Three management, and you'll see the "backs-against-the-wall" mentality take hold, and out they will go.

Not paying their hourly workforce during a strike will be offset by the loss of business on the retail side of this, and it's already bad enough for Chrysler as it is. They cannot weather a strike well. What most of the press has reported recently is how dependent Chrysler still has been on fleet sales. Retailing cars isn't like retailing home improvement and hardware products, and Nardelli's GE transportation experience is irrelevant in the world of designing and retailing automobiles. This automotive retail environment in the USA and Canada is unlike anything we've seen in last fifty years. The market is so segmented and then sub-segmented, that traditional marketing approaches are having limited, if any success, and GM, Ford, and Chrysler's collective market share, including less profitable fleet sales, has dropped below fifty percent, showing the effects of having lost whole generations of retail buyers who have never had a GM, Ford, or Chrysler passenger car on their radar at buying time.

If Cerberus is serious about being in the auto business and turning Chrysler around, then taking a hard stand with the unions won't be on their agenda. In any case, I don't count on anything where Chrysler is concerned. This is twice in less than ten years that Chrysler has changed hands. That alone can't be a good sign.

*Posted: Tue Aug 07, 2007 2:12 pm*

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