DaimlerChrysler AG - company profile

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DaimlerChrysler: The Company
- Structure
- Distribution
- Coordination/Control

The EWC of DaimlerChrysler
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Company Structure

- DaimlerChrysler AG
- German and American producer of passenger cars, trucks and financial services
- parts and accessories marketed under other brand names
- Headquarters: Stuttgart (Germany) and Auburn Hills, Michigan (USA)
- Fourth largest car manufacturer in the world
- 2007: sale of Chrysler to Cerberus
Company Structure: History

- Daimler-Benz AG
  - 1926: merger of Daimler-Motoren-Gesellschaft and Benz & Cie
  - 1935: Wilhelm Friedle implemented the assembly line in Germany
  - Innovative company:
    - 1951: security cabin
    - 1981: airbag
Company Structure: History

- **Chrysler Corporation**
  - American automobile manufacturer since 1925
  - 1928: Chrysler became 3rd largest car manufacturer in the USA
  - Brands: Dodge, Imperial, DeSoto, Plymouth
  - 1987: Acquisition of American Motors Corporation (AMC)
Company Structure: History

- **DaimlerChrysler AG**
  - 1998: Daimler-Benz bought Chrysler in form of shares for $36 billion
  - Board of directors became more and more German
  - 2006: Dieter Zetsche became CEO
  - October 2005: development of a Joint Venture with the car manufacturers Hyundai and Mistubishi Motors: Global Engine Manufacturing Alliance (GEMA)
  - Criticism of the merger and enormous losses June 2007
  - Future cooperation with Fiat (engines)
Company Distribution

- Production facilities in 21 countries
- Turnover: 151.6 million Euro (2006)
- Profit: 3.227 billion Euro (2006)
- Sales: 4.7 million vehicles (2006)
- Employees: 360.385 (2006)
- Most important markets:
  - USA: 45,2%
  - EU: 33,4%
Company Distribution: Turnover by Region (in million)

- Total
- Western Europe
  - thereof Germany
- NAFTA
  - thereof USA
- Asia
- Rest of World

- 2006
- 2005
Company Distribution: Turnover by Division (in million)
Company Distribution : Employees by Region (Dec. 31)
Company Distribution: Employees by Division (Dec. 31)
Mercedes Car Group

- Sales (2006): 1,230,951 units
- Headquarters: Stuttgart, Germany
- Most important markets
  - Germany 28%
  - Western Europe 34%
  - USA 20%
  - Japan 4%
Mercedes Car Group: Production Locations

- **Sindelfingen** (26,536 employees)
  C-Class Saloon, Sports Coupé, E-Class Saloon, E-Class Estate, CLS-Class, S-Class Saloon, CL-Class, Maybach

- **Bremen** (11,555 employees)
  C-Class Saloon, C-Class Estate, CLK-Class Coupé and Convertible, SLK-Class, SL-Class

- **Rastatt** (6,033 employees)
  A-Class, B-Class

- **Hamburg** (2,342 employees)
  Axles and components

- **Berlin** (3,047 employees)
  Gasoline and diesel engines, components and parts

- **Untertürckheim** (18,012 employees)
  Engines, axles, gearboxes, components

- **Tuscaloosa (USA)** (4,012 employees)
  M-Class, R-Class, GL-Class

- **East London (South Africa)** (2,825 employees)
  C-Class Saloon

- **Juiz de Fora (Brazil)** (1,025 employees)
  C-Class Saloon

- **Hambach (France)** (893 employees)
  smart fortwo
Chrysler Group

- Production (2006): 2,548,700 units
  - passenger cars: 640,200
  - trucks: 1,908,500
- Sales (2006): 2,654,700 units
  - passenger cars: 681,100
  - trucks: 533,500
- Headquarters: Auburn Hills, USA
Chrysler Group: Production Locations

- **North America**
  - 14 assembly plants
  - 13 components plants
  - 5 stamping plants
  - 6 technical centres

- **Outside North America**
  - 7 assembly plants
    - Austria (Chrysler, Jeep)
    - China (Jeep)
    - Egypt (Jeep)
    - Venezuela (Jeep, Dodge)
Company Coordination / Control

New Management Model

- 24 January 2006
- Aim: improving group’s competitiveness
- Adjustment of personnel to achieve the goals
- CORE Programm at the Mercedes Car Group
EWC Structure: Establishment

- 1990`s: establishment of „European Distribution Committee“ at Daimler-Benz
- 25th July 1996: establishment of EWC after Art. 13 between Germany works council and group management
- Applicable law: Germany
- 1st May 2002: renewed or post-merger agreement
development of a transatlantic working group
June 1998: development of an international working group
June 2002: incorporation of the international working group into the global works council, the World Employee Committee (WEC)
WEC is more important than the EWC
WEC agreed on a code of conduct concerning “social responsibility”
EWC Structure: Agreement

- to inform and consult the employees of Daimler-Chrysler Group in the EU and EEA
- Europe-wide exchange of information and opinions between group management and employees
- information sharing and consultation take place in two forms:
  1. within the EWC itself
  2. by passing on the common minutes of EWC meetings to the managements
EWC Distribution

- Composition: workers only
- Duration of Mandate: 4 years
- Competencies
  - Social areas: employment
  - Economic areas: market, field of activity, new technologies, merger, delocalisation
  - Financial areas: balance sheet analysis, investment
- Confidentiality agreement
- Select committee:
  - EWC chairman
  - 1 German delegate
  - 1 Spanish delegate
  - 1 French delegate
EWC Distribution

- Until May 2002:
  - Germany: 30
  - Foreign countries: 20
- After May 2002:
  - Germany: 12
  - Spain: 4
  - France: 3
  - Italy: 2
  - UK: 1
  - Netherlands: 1
  - Belgium: 1
EWC Coordination: Meetings

- once a year at the group headquarters
- Group management is regularly represented
- one-day preparation and evaluation meetings on the employee side
- Agenda is suggested by the four members of the EWC select committee
- Meetings are held in German but there is the possibility of simultaneous translation
EWC Coordination: Meetings

- Information about strategic transnational developments
- EWC members feel that information often is too unspecific
- Between meetings communication takes place via the EWC select committee
EWC Coordination: Costs

- Costs of the EWC, the select committee are carried by group management
- Costs of travel, overnight stays are carried by the companies that send the delegates
- Ad hoc committee can be set up
- EWC and EWC select committee have the right to use expert support
- Funds for language courses at individual national subsidiaries
- EWC members are allowed a limited amount of paid time off for their EWC work
- EWC members have access to IT facilities
EWC Coordination: Information, Consultation and Negotiation

- Interaction remains on the level of information and (limited) consultation
- Form and content of information sessions follow the conditions of the agreement
- Negotiations have not yet been conducted
- Extraordinary EWC meetings have not yet taken place
EWC Coordination: Information, Consultation and Negotiation

- project about comparison of wage and income conditions in Europe proved difficult in practice
- transnational agreement on “social responsibility” was negotiated at the global level of the WEC and therefore also have been discussed the topic as well
EWC Coordination: Outcomes and Impacts

Employees

- structure of DaimlerChrysler results in a weak coherence of interests on the employee side
- EWC is a body of interest representation for others
- EWC serves as a platform for information exchange and communication problems
- at the level of problem and conflict solving the EWC does not play a role
possible revision of the agreement is considered, if at all, only after the revision of the EWC Directive

economic and financial data of the group is relevant, but in view of the European conditions often too unspecific
EWC Coordination: Outcomes and Impacts

Management

- EWC serves as a body that is provided with information about strategic and economic developments of the group as a whole
- Managers of foreign subsidiaries do not take part in the meetings of the EWC
Sources

- [http://www.daimlerchrysler.com](http://www.daimlerchrysler.com)
- EWC database 2006