Michigan Department of Energy, Labor & Economic Growth
611 West Ottawa Street, 4th Floor, Lansing, Michigan 48909

JOINT ADJUSTMENT COMMITTEES: A COORDINATED APPROACH TO PLANT CLOSURES AND MASS LAYOFFS

Definition: A Joint Adjustment Committee (JAC) is an ad hoc group of workers and managers who organize to provide adjustment services on behalf of the employees in their plant or office who are about to lose their jobs due to a plant closure or a mass layoff.

Mission: The purpose of a JAC is to help displaced workers make a successful transition to a satisfactory job in the shortest possible time. The JAC works to develop, in detail, the employment alternatives available to dislocated workers and to arrange for the services necessary to assist the workers in reaching their goals. This may include, but is not limited to, job clubs, job fairs, and workshops designed for the specific needs of a targeted workforce.

Structure: A JAC is typically comprised of equal numbers of management and labor representatives, chaired by a neutral third party. Committee members are usually chosen by their respective management and labor representatives; the committee as a whole selects the neutral chair. In addition, ex-officio status is accorded to a representative from the local Michigan Works! Agency and a Workforce Consultant (WC) from the Rapid Response Section of the Michigan Department of Labor & Economic Growth (Bureau of Workforce Programs).

Goals: The basic premise underlying the concept of a JAC is that service strategies are best determined and planned by those directly affected by the facility closure or workforce reduction. Thus, the goals of the JAC are to:

- Define a mission and purpose.
- Collect information on the needs of fellow workers.
- Recruit fellow workers to enroll in the dislocated worker program.
- Determine services to be provided.
- Identify community and financial resources.
- Develop and implement an adjustment program, with primary emphasis upon employment and training opportunities for the affected workers.
- Develop a comprehensive communication strategy to keep the affected workers informed of services, programs, and activities.
- Provide a social support group.
- Track the progress of each affected worker in terms of education training, and new employment.

Forming a JAC:

Notice of Closure or Layoff: Upon receipt of notification that a downsizing or closure will occur at a particular site, the state Rapid Response Section conducts an on-site meeting with company and union representatives (if workers are covered by a collective bargaining agreement.) The purpose of the meeting is to provide information on retraining, employment, and other services available to affected workers. In situations generally involving 100 or more workers, the preferred option for coordination of delivery of

services is a JAC. Meeting attendees are given an overview of the JAC process at the Rapid Response meeting. Ideally, agreement to establish a JAC will be reached during the Rapid Response meeting or shortly thereafter.

JAC Organizational Meeting: The purpose of the first formal meeting of the JAC is to provide an overview of the committee process and appoint committee members and alternates. At this meeting resumes of potential neutral chairs are also reviewed and the candidates select who will be interviewed for this position.

Initial Meeting of the Full Committee: After a neutral chair has been selected, a Rapid Response Workforce Consultant conducts a training session for the committee. Training includes an overview of the committee structure and the roles and responsibilities of committee members**.** Goals and objectives are also established at the initial meeting.

BENEFITS

While a JAC can speed the outplacement of workers and thereby minimize income loss, this type of adjustment program is also beneficial to employers. JACs can reduce costs and administrative burdens associated with plant closings and downsizings, and offer other advantages to the employer, including:

- Lower unemployment taxes. JACs can reduce the length of unemployment insurance claims by helping workers find new employment more quickly.
- Reduce administrative burdens. By overseeing and managing outplacement and readjustment, the JAC permits managers to concentrate on the other activities associated with a facility closure or downsizing.
- Continue productivity. Productivity and quality can drop when morale flags. As a visible expression of commitment to the future of affected workers, a JAC helps to sustain morale and reduces negative acts by discouraged workers.
- Provides a communication forum. JACs serve as a source of reliable information and dispel rumors that can disrupt the work place. JACs also provide an opportunity for workers and management to develop outplacement strategies and reach consensus on the best approaches. In this way, affected workers have input into decisions about which services should be provided.

A JAC is a cooperative effort between employers and employee representatives that seeks to relieve the effects of a shared misfortune in a positive and responsible manner. By choosing the JAC approach, employers show that they are committed to helping their employees cope with the traumatic effects of job loss and make a speedy transition back into the workforce.

The Rapid Response Section has established and guided over one hundred JACs throughout Michigan. For further information about JACs, please contact:

Michigan Department of Labor & Economic Growth
Rapid Response Section
611 West Ottawa Street, 4th Floor
Lansing, Michigan 48933
Telephone: (517) 373-6234;
Fax: (517) 373-4648

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