

# Team Un-Building

By Richard W. Hallstein

*Team building is the process of setting up a group and helping it achieve success. But can team building work when a company is on the block and jobs are on the line? One practitioner's experience suggests that it can.*

The human resources profession has placed much emphasis recently on team building—the process of forming teams and helping them work effectively toward success. But can team building help when an organization is downsizing, jobs are in danger, and morale is low? My experience suggests it can, in a process we might call “team un-building.”

What I'm about to relate isn't based on scholarly research. It is a practitioner's experience with an important intervention that I think should be reported. A closer, more scholarly look is warranted.

## The plug is pulled

I was a senior vice-president with the now-defunct Gimbels department store's Pittsburgh division when the chain was put up for sale in 1986. At Gimbels, we had been engaged in successful management-team building exercise for about a year. We were beginning to expand it when the plug

Hallstein is president of McLagan International, 1700 West Highway 36, Suite 300, St. Paul, MN 55113.

## Responding to RIFs

By Karen Halperin Shor

*Shor is with Catholic Charities, 253 East Market Street, York, PA 17403. The following report was researched and compiled by the staff of the Unemployment NOW Program of Catholic Charities.*

A study was recently conducted with six York County, Pennsylvania, companies. All had dealt with reductions in force (RIFs) between 1981 and November 1988. Some were temporary reductions, due to market conditions; many workers were later called back to work.

Before the reductions, the labor force of all the companies was about 10,000. A total of 3,838 workers—from upper management to unskilled labor—were laid off. Two of the reductions involved plant shutdowns. One company had two separate layoffs.

## What they did

Four companies provided departing employees with advance notice of the layoffs, ranging from one week to five months. One company gave employees 24 hours' notice, and one gave pay in lieu of notice.

All six companies helped their departing employees in some way. Support services ranged from hiring an outside agency for complete outplacement services, to providing information on how to apply for unemployment compensation and continuing benefits.

Outplacement support services provided by the companies:

- severance pay (four companies);
- extended medical benefits (three companies—one for a full year);
- clerical support such as typing and photocopying (four companies);
- use of telephones, including long distance (four companies);
- transportation allowance for interviews (two companies);
- job club/job-search program (three companies);

- help with resume writing (three companies);
- help with interviewing skills (four companies);
- time off with pay for interviews (four companies—one for salaried employees only);
- supportive counseling, including emotional, vocational, and financial (four companies).

Other services included job leads; instructions on applying for unemployment compensation; answers to most-asked questions; tuition refunds for training and education; job-search seminars; calls by the HRD department to see if other companies were hiring locally; a resource center with job notices, local newspapers, and other resources; and supplemental unemployment compensation.

Four companies provided outplacement services through their own staffs. Three hired outplacement agencies—one for non-management employees only and another for management staff.

es profession  
 asis recent  
 rocess of fo  
 hem work  
 is. But can  
 n organizati  
 e in danger  
 perience sug  
 might call

ulled: the British American To  
 Company (BATUS) announced  
 selling its retail properties, in-  
 ging Gimbels.

hat were we to do with the team-  
 ing momentum we had gener-  
 The traditional response would  
 been to get angry and quit. But  
 took another course.

the Gimbels Pittsburgh division in-  
 ed 3,000 employees and six stores,  
 id, almost century-old organiza-  
 For many years it held its own in  
 to-head, competition with two  
 big chains in the Pittsburgh area.  
 in the decade prior to my return in  
 I had been a Gimbels manage-  
 ment trainee there almost 20 years  
 Gimbels's market share had  
 ed, and it was running a distant  
 About two years before I re-  
 ed to Gimbels, a new chairman—  
 Levy, now with Montgomery  
 had been hired, and was trying  
 the business back.

relate isn't be  
 It is a practic  
 an important  
 ink should  
 re scholarly

1  
 -president wh  
 bels departm  
 ision when th  
 sale in 1986  
 engaged in  
 it-team build  
 year. We we  
 when the ph

McLagan Int  
 ghway 36, Sun  
 ing

When I joined the company in December 1984 as senior vice-president, we began a team-building process with the executive committee. Our progress was good: we met quarterly, set up and monitored our strategic plan, built management skills, and took on topical problems. We were starting to show results. We ended a three-year slide in market share, slowed employee turnover, and found a more competitive merchandise mix for the stores.

About a year into that process we extended the team-building effort to about 40 people on the next management level down. Our first outing with that group was highly successful, and we planned to continue quarterly meetings for the expanded group.

**Suddenly up for sale**

Then we woke up one morning and read that we were for sale. Three days later it was confirmed. BATUS was divesting itself of retail businesses. It hurt. We hadn't failed in our efforts at turning the company around; we had scarcely been given a chance to fail. We were victims of a change of strategy.

riting (three  
 g skills (four  
 r interviews  
 for salaried  
 3, including  
 and financial  
 luded job  
 oplying for  
 isation; an-  
 nsions; tut-  
 and educa-  
 s; calls by  
 ee if other  
 cally; a re-  
 tices, local  
 resources;  
 ployment  
 ided out-  
 ough their  
 outplace-  
 non-bar-  
 nly and  
 : staff. All

services were provided on-site. One company that used both its own staff and an outplacement agency had the agency provide services off-site.

Of the four companies that used outplacement in response to their first layoffs, three incorporated outplacement support into their company policies. One company already had outplacement services as a policy; another had a policy against outplacement support. Many of the companies did not offer extensive outplacement services because the labor reductions were temporary and workers had call-back rights.

**What you can do**

Here are some suggestions on planning which services your company should provide to outgoing employees, from human resource specialists who've been there.

- Do your homework. Familiarize yourself with your company's policies and benefits. If your com-

- pany is unionized, be sure to check the contract for any provisions that apply.
- Arrange for outplacement services, either through your own staff or through an outplacement company. At the very least, services should include supportive counseling, help with resume-writing and interviewing skills, and clerical support.
- Be sure to include labor in your plans. You will need union support, and the union may have ideas you can use.
- Include spouses and families of the affected workers. It can be a big stress reliever.
- Be supportive and empathetic. This is a difficult time for the outgoing employee. Treat him or her as you would like to be treated. Arrange training for your staff on the grieving process that employees will be going through, so that HRD people understand why employees react the way they do.

- Prepare to deal with the remaining workers. There will be a lot of uncertainty and many questions; the most frequent question will be, "Am I next?" Be aware that "survivor's guilt" will affect production after a layoff.
- Don't take it personally. Many workers will be angry or bitter toward the company and the situation and may take it out on you. Be prepared for it.
- Use community resources. That's what they are for.
- Make use of the expertise of your peers. Many are willing to share insights and experience.

It quickly became clear that likely buyers wouldn't need Gimbels' top management. Likewise, most of those in the next management layer would probably lose their jobs. From a business perspective, the question was, "How can we hold this group together during the transition?"

Organizations in crisis often react by denying that anyone is at risk. They fear that talking openly will only rush people into early departure. The organization plays pretend: "Let's pretend nothing's really happening. Let's pretend that it's going to be okay." That approach was tempting. We were worried and fearful, for our business and for ourselves.

### Playing a hunch

After some consideration, the team made an important decision. It wasn't backed up by much research or experience; we were playing a hunch based on our beliefs and values.

We decided to continue the team-building process—it's only in retrospect that I refer to it as team "un-building"—and to bring the process into confluence with the situation. We continued regular team-building sessions through the next nine months. At each, depending on what was going on with the team at the moment, we engaged in one or more of the following:

■ **Legitimization of emotions.** Our purpose was to provide the managers—for themselves and for those they managed—with some rational basis for understanding the feelings they would encounter. I hired a therapist from outside to help design and facilitate sessions.

Team members were encouraged to talk openly about stages of grief, including anger, denial, bargaining, depression, and resolution. We knew people would go through those stages. We could either pretend it wasn't happening, or we could tell them what to expect of themselves and of those around them.

The response was one of relief. Many people made such statements as, "Boy, it feels good to have this on the table," and, "I was feeling so shameful for being as angry as I am. Now I know that it's OK to talk about it."

■ **Values clarification.** To what values would we appeal as we made decisions in the crisis? For example, under the

performances would certainly falter. Do we put them on warning and go through with terminations if they don't shape up, ruining their chances for decent severance packages? Or do we allow for the circumstances and give them a break? We decided to be cautious about acting on problem performers, to review cases carefully, and to try to give people the benefit of the doubt.

■ **Critical-incident forums.** We asked managers to tell us how they were handling confusing but critical issues. For example, what do we do when a key employee wants to bail out early? Our purpose was to establish a database of information on how managers were handling such issues, so that other decision makers didn't have to rely solely on their own judgment in tough spots. Generally, on difficult calls we decided to take employees' best interests into account. But if we had a superordinate interest—for example, if a crucial manager was considering leaving—we decided to offer special compensation to encourage the person to stay.

■ **The buddy system.** Through the grapevine, we determined who was particularly hurting and assigned such individuals "buddies." For example, if someone's spouse had just lost a job also, we sent someone over to talk. But if we knew somebody needed a swift kick, we assigned a person with the leg for it. I took on an executive who at first refused to consider leaving the city for another job. He needed regular reality doses. Eventually, I got through to him.

■ **Communications.** Many people can't tolerate uncertainty, but we tried to overcommunicate, even when we weren't certain about what was going to happen. We did a pretty fair job of telling management, unions, and hourly workers what we knew and didn't know.

The response was generally good, but our honesty led to some pretty hot meetings—people screaming at the chairman and saying, "You're lying! You do know and you're not telling us!" I have tremendous respect for the chairman, Dan Levy, who was able to tolerate being called a liar, and say simply, "I'm sorry. I don't know any more."

■ **Support forums.** Sometimes we simply announced we were ordering pizza, and invited people to drop by and just be together. People would

come and go. I loved this one. We called it "circle the wagons."

### The final shock

Eventually, despite all our preparation, we had a shock anyway. Our competitor, May Company, bought Gimbels and put us all on the street.

But many of the memories from the very end are gratifying rather than bitter: BATUS offered workers generous severance packages including employee-assistance services and a job-search center. Hourly workers and vice-presidents stood shoulder-to-shoulder peering at the job board. A person just back from a fruitless interview might suggest the opening to another job hunter.

How well did our team un-building approach work? There are some intriguing outcomes. For one thing, dealing openly with people didn't cause them to run away early. During the nine-month transition, even though most employees were not guaranteed severance packages, we had less turnover at all levels of the organization than in the previous two years. No doubt some people were shocked into doing nothing. But that kind of loyalty is still astounding to me. It exceeded any of our expectations.

### Our finest hour

Now, when I visit my hometown, Pittsburgh, former Gimbels salespeople greet me in their new jobs and we talk about years past. The old management team has scattered, but there's still a sense of camaraderie. I don't remember ever being part of a team situation where I felt more respect for team members—or for myself.

When the end came, most members of the management team walked away feeling it had been our finest hour, that we had done something special.

With corporate consolidations and job elimination so widespread, we might well consider how such intangible positives can be used in other situations to allay the business and human costs.

The old crisis paradigm calls for excluding people, shutting them out, and telling them as little as possible; the Gimbels case shows that if people are treated as adults, if their concerns and values are addressed openly, and if they're included as members of the un-building team, they can rise to their finest hour.