

America's Department Store Turns Lemons into Lemonade

How Macy's Prioritized People and 'Paying it Forward'

Over the last 12 to 24 months, virtually every organization has had to make some sort of employee-impacting changes. Some have closed their doors entirely. Many have had to lay people off. Although most people recognize the uncharted territory we are in, it is still difficult for an organization's reputation as an employer of choice to come out unscathed. It is difficult, but as Macy's, Inc. proved, it is very possible.

In the below example, the Macy's Central human resources team, executive team and its employees collectively embraced an opportunity to help each one another make lemonade from lemons. What could have been an incredibly difficult transition turned into a truly transforming experience for everyone involved.

From a Difficult Transition to a Life-Changing Transformation

In January 2009 Macy's announced that it would be closing its Macy's Central division in Atlanta as of April 30th, 2009. Although the announcement was not completely surprising considering the economic climate, for the approximately 850 employees whose jobs would be eliminated, it was devastating news. Until, that is, they discovered that the Macy's Central team had no intention of simply abandoning them.

Upon learning that the Macy's Central division would be closing, the Atlanta human resources team swept into action. Committed to doing everything they could to support their people and make the transition as smooth as possible, Jill Wilson, Group Vice President of Human Resources, and Ann Hammel, Divisional Vice President of Organizational Development, led an effort to develop a program that was focused on the big picture, considering not only the bottom line to the organization, but the bottom line to its employees. They anticipated the near-term ramifications the announcement could have on morale and productivity, and the long-term implications it could have on the company's historically rich organizational culture. Their swift and tireless efforts resulted in a change management plan that ensured the organizational culture remained supportive, positive and optimistic, arguably an amazing feat in these difficult economic times.

The program included a variety of unique and creative elements designed to support employees in every way (see inset). For example, recognizing the importance of social networking, Macy's Central developed an introductory program for LinkedIn, having close to 500 participants over a 10-week period. As a follow-up, a personal strategy expert was hired to teach the Macy's Central employees how to effectively utilize a variety of social media tools in their job searches. In addition, a special web site was created to keep employees connected with one another during and after their transition. The website features a regularly updated list of who is working where. Recognizing the impact that physical fitness can have on an individual's mindset, the company even instituted two daily boot camp sessions.

"We embarked on an ambitious plan to help 850 people transition from Macy's employment to another organization in an incredibly unfavorable economic climate," Wilson said. "It was no small undertaking and although it required investment of time and financial resources, we never heard 'no' from any of the company's principals. In fact, all we heard was overwhelming support for the effort."

Pay It Forward

Throughout the transition, there was a significant amount of communication from Macy's Central leadership, including several Town Hall meetings during each month of the transition. At each Town Hall led by the Atlanta HR team, all employees were encouraged to do five things every day to help their co-workers, and once someone had secured a new job, they were challenged to increase this level of support to 10 things per day until their departure. "Having individuals consistently cross team and pyramid boundaries daily to help each other was extremely energizing, and contagious," Hammel said.

It was clear to the employees that the program had been thoughtfully and carefully developed with their best interests in mind. In response, they shifted their mindsets from focusing on their personal concerns to helping their co-workers successfully navigate the transition. 'Pay it forward' soon became the mantra and it effectively became unpopular, if not entirely impossible, for anyone to wallow in self pity.

Proof Positive

Eighty years after it was founded, Macy's, Inc. remains one of the nation's most successful and respected retail institutions. The company has continued to prosper – in good times and in bad – by effectively adapting to the wants and demands of an ever-changing society without compromising its organizational values or losing sight of the importance of 'doing the right thing.'

It all goes back to having a strong foundation and to upholding core organizational values. Macy's executive leadership firmly believed that its people were and always would be their most valuable asset and that investing in them was not an option. The closure of the Macy's Central division in Atlanta was no exception.

The Macy's Central division was primarily compiled of merchants and support employees. As of the end of May, following a 12 week transition period, more than 65% of merchants had been placed either internally with Macy's or with a new employer. Of the support employees, close to 25% had been placed within Macy's or with an external employer. In fact, the Macy's Central division achieved top results in sales performance, inventory and employment engagement for the first quarter of 2009, despite the announcement, the weakening economy and dismal consumer spending reports.

"While we were thrilled with the [division's] performance throughout this difficult time, we were more impressed by the overwhelmingly positive feedback we received from our employees... employees whose jobs had been eliminated," Wilson said. "We received more than 100 personalized thank you notes. This was all the evidence I needed to know we had done right by our people."

Lessons Learned

Often times when we hear about 'lessons learned' we are hearing about mistakes made and ways things could have been handled better. In Macy's case, lessons learned serve as validation that the company did the right thing for everyone involved and across the board.

In short, Macy's commitment to doing the right thing serves as continued evidence that this icon will be around for decades to come. Every organizational response and effort throughout this difficult time was a reflection of the store's iconic brand and its core values.

"Macy's is an American icon for a reason. The company has a long-standing tradition of ensuring our employees are part of the family. The current economic challenges have been difficult for everyone. I don't think

anyone was surprised when the news came, but I think everyone was surprised when they realized Macy's support didn't end with an announcement," Wilson said.

Author's Note

Although Macy's is not a TalentQuest client, we felt compelled to share this story as a shining example of the incredibly positive impact that effective talent management can have on an organization, in good times and in bad. Macy's Central could have taken the easy way out and simply wished their people well. Instead, its leadership opted to uphold its values and its long-standing tradition of being an employer that cares for and invests in its people. This people-centric approach is what we at TalentQuest believe in most and what we have strived to uphold in our organization and have counseled countless businesses to commit to, for more than 35 years.

Above and Beyond: Macy's Employee Transition Program

In an effort to make the most of a difficult situation, the Atlanta Macy's Central human resources department collaborated with one another to provide personalized resume consultation, interview preparation and administrative support of program elements as needed. All of these programs were in addition to a foundation of traditional outplacement seminars provided by the Macy's Inc. corporation. Below are some examples of the unique actions the Atlanta team took to support their employees throughout the process.

- Held weekly town hall meetings in an effort to keep everyone informed and involved and to ensure an open line of communication was maintained.
- Engaged career coaches and counselors, executive recruiters, motivational speakers and leadership development experts to coach employees in a wide variety of career development areas, including:
 - o Developing a Personal Brand (Dale Carnegie on-site)
 - o Challenge to Change - leadership development (two day workshops with The Leader's Lyceum)
 - o Successful interviewing techniques, from what to wear to what to say
 - o Resume-writing workshops
 - o Real deal street talk on working with recruiters
 - o Remaining positive through transitions – coping with change
 - o Becoming an entrepreneur
 - o Technical training on Microsoft office systems
 - o On-site workshops with several different financial planners
 - o On-site free professional headshots to be used in social media
- Held a career fair hosting 50 major national organizations exclusively for its employees (more than 600 employees attended!)
- Arranged for representatives from the Georgia Department of Labor to be onsite so employees could learn about and easily file for unemployment benefits.