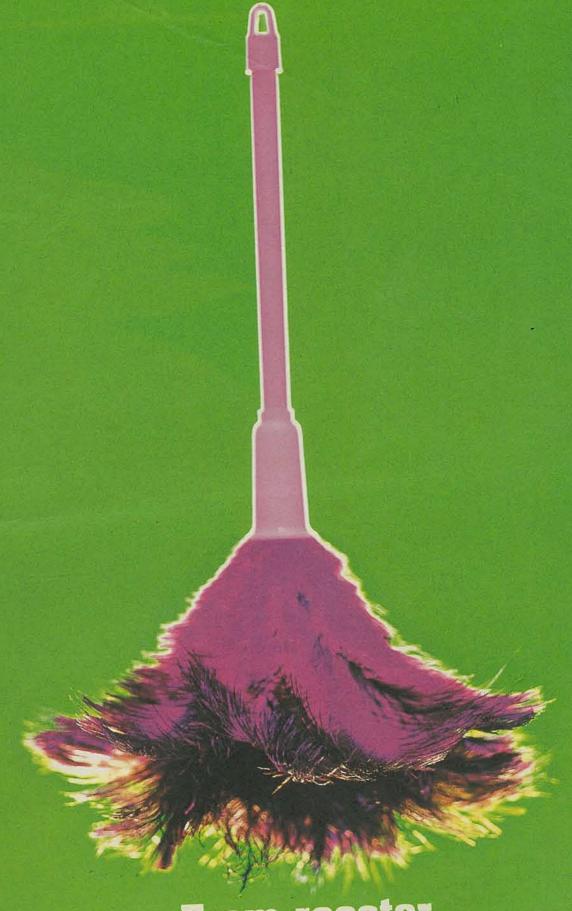
THE AGE MAGAZINE

### DWEEKEN MARCH 25,



From rooster to feather duster...

When downsizing turns corporate captains into frightened middle-aged men

By David Leser

Once they waited for the gold watch that rewarded years of loyal service. Now they wait for the axe to fall. They're senior white-collar workers in a lean, mean, "downsized" world ... and the next job they lose could well be their last. **David Leser** reports.

# The lost men

"Do you think you have problems, Edward?"

"I know I do. I have a wife and daughter to support and I'm out of work."

"Are you afraid of your problems?"

"Yes, I am. I am afraid of losing my house.

I am afraid of being out of work. But that doesn't make me ill or disturbed. This is how healthy people feel in unhealthy times."

[From Three Dollars, by Elliot Perlman]

N THESE TIMES OF NEW TECHNOLOGIES and discarded loyalties, it is instructive to look at someone like Robert Latham to see how far a man can fall. Unlike Eddie Harnovey, the fictional character in Elliot Perlman's book who lost his job as a chemical engineer and ended up with just three dollars to his name, Latham's story is true, although never in his wildest dreams did he imagine it would be so. He thought he was too secure for that.

Robert Latham (not his real name) boasted an impressive résumé. Two university degrees. Trade diplomat to Japan and the United States in the 1970s. Marketing service manager at CSR in the early '80s. Marketing manager for a major coal company in the late '80s. Australian representative for a giant American trading house in the early '90s. Manager of international student recruitment at TAFE in the mid-'90s.

How could he have possibly seen that trouble loomed as far back as 1985? It was then that CSR hired a management consultant to counsel the 2,000 employees it had just decided to sack. Latham had just got out in time, having been offered a job at a mineral exporter where,

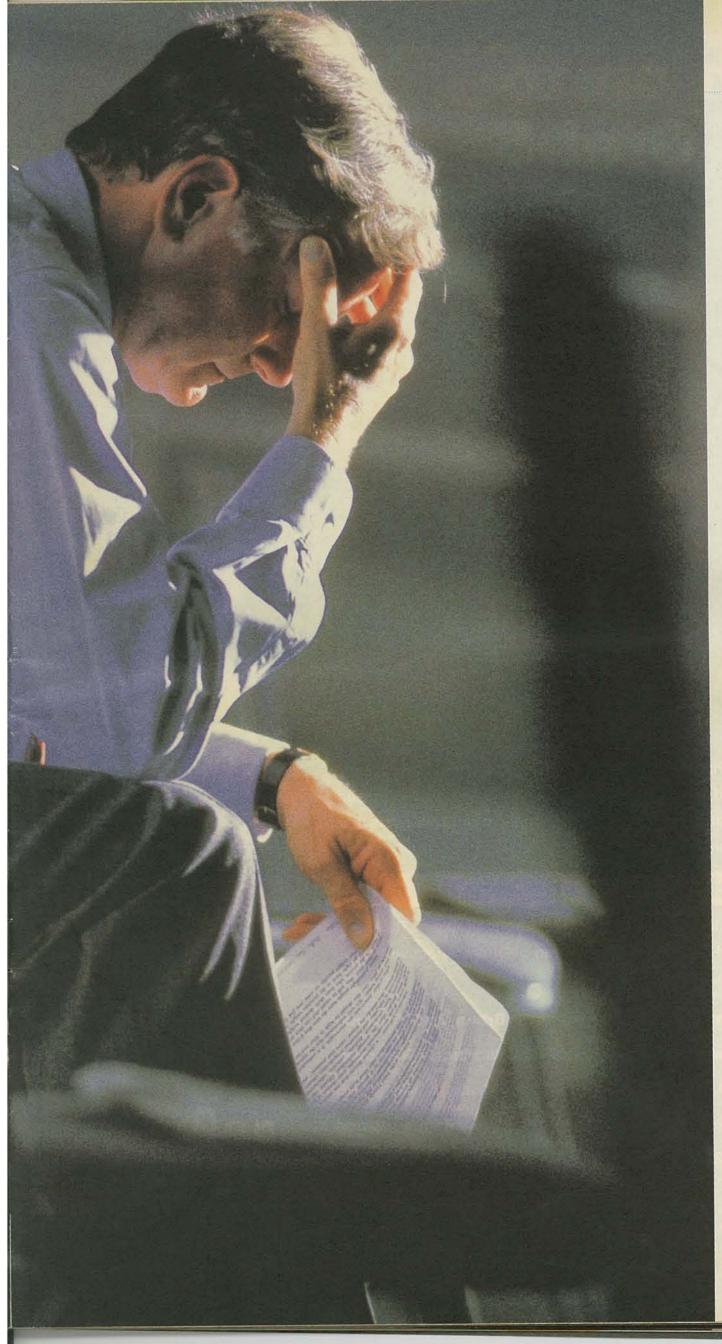
at the age of 40, he was put in charge of selling millions of tonnes of steaming coke and coal to

For up to four months of the year, he travelled on behalf of the company throughout the region, staying in five-star hotels, flying first class, negotiating through interpreters across boardroom tables, massaging long-term contracts, chasing new business.

He oozed the quiet confidence of the high-flier. True, he didn't have a yacht or a house on the harbour, but he was contented nonetheless. He had a wife and four kids whom he loved; a million-dollar Victorian terrace in one of the best streets in inner Sydney; a challenging job, and enough status to ensure that, at the very least, he was recognised every time he walked into a Qantas Club lounge. For a working-class boy, it wasn't half bad.

So, no, he didn't see that his career was already on the skids by the time he left CSR in 1985. He didn't see (and who did?) the brutal realities that were about to be ushered in by the new capitalism, a world in which, according to American sociologist Richard Sennett, "perfectly viable businesses [would soon be] gutted or





abandoned, capable employees set adrift rather than rewarded, simply because the organisation [had to] prove to the market that it was capable of change".

That kind of 1990s corporate "re-engineering" was still to come. In 1985, it was the pre-globalisation era but CSR was already paying for the kind of mistake that was to become the hallmark of Australian business through the 1980s. In order to grow, CSR had expanded beyond its core business – in this case, sugar and building materials – into minerals and energy. By the time the company realised it had paid too much for its new assets, it was too late. Heads had to roll.

Trouble was, how to tell the employees? Many of them assumed their jobs were for life. Now it had to be explained to them – and this was the task of the management consultant – that the old, benign career structure was dead; that the toughest era of employer/employee relations since World War II was upon them; and that everything in relation to work was now up for grabs.

CSR's MASS SACKINGS LEGITIMISED THE corporate slash-and-burn, and gave a string of other Australian companies and institutions permission to follow suit. Over the next decade and a half, outplacement services and management consultants burgeoned as "downsizing" became the most popular business stratagem in town. By 1999, 3.4 million jobs had been snuffed out across Australia, Robert Latham's included.

With the benefit of hindsight, Latham can see now that he had been spending ever-decreasing lengths of time in successive jobs and that this was part of the treacherous new work culture he was in, one which seemed to value short-term employability over loyalty and service. It was only after joining TAFE in 1994, however, that he saw directly how this applied to him.

Latham had been placed in charge of recruiting international students to Australia's tertiary institutions. He'd done well at the job, helping to double revenue in two years. By 1996, though, NSW Premier Bob Carr had decided to eliminate one-third of the senior executive positions in the public service. It was an attractive political message: fewer fat cats, more police.

"The first I knew about it was at a meeting of the SES [Senior Executive Service] when they were showing us a new organisational chart," Latham recalls now. "I was flicking through it trying to find the international section and it wasn't there. They'd just abolished my position with the stroke of a pen."

Latham was told he could apply for two other management positions, both of which were currently filled by people once subordinate to him. He found this option distasteful – to them as well as himself – and so he resigned. There was no farewell.

Although deeply hurt and angered by TAFE's treatment, he managed to find a job almost immediately, running a major language centre.

Within 18 months, he'd fallen foul of the directors of the private company that partly owned the centre and had been told he had exactly 15 minutes to be off the premises. "I was called in at a quarter to six on a Friday night and was out of the place by six o'clock," he says. "They said, 'It's not working out. The chemistry isn't right. Give us the keys to the office.'

"I walked out clutching my little cardboard box, and when I caught a cab I just sat in the back and blubbered. I cried my eyes out. I thought I was going to have a heart attack."

It was just before Christmas 1997 and Robert Latham was nearly 53. He had a huge mortgage and a family to support, and had just been shown the door without a termination package. According to Latham, he was told: "Why should we f...ing give you anything?"

Having spent nearly two years negotiating an enterprise agreement for teachers, Latham understood his entitlements. He threatened to take his former bosses to the Industrial Relations Commission unless he was given an acceptable payout. The centre eventually relented.

Over the succeeding months, Latham applied for nearly 100 jobs. He secured three interviews.

Just before the 1998 Federal election, the Labor Party's new recruit, Cheryl Kernot, was asked to compile a report on the changing face of work and its impact on Australians over 45. Kernot was overwhelmed by the stories she heard from anguished men around Australia and the damage caused to their health, their finances and their family relationships by these retrenchments.

"This is a big deal and people don't really care about it," she tells GOOD WEEKEND. "I had one [retrenched] man come in who was so ashamed because he only had a short-sleeved shirt underneath his suit.

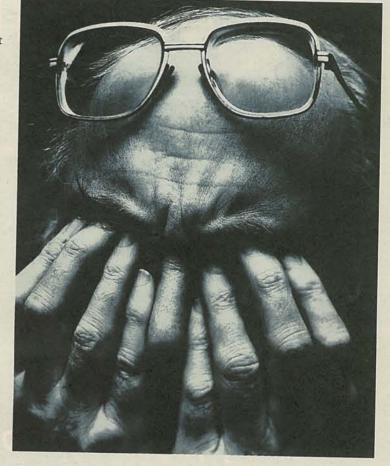
"Later, we had another man here crying. It broke his heart to come and talk to us because he had to admit that, in his view of the world, he had utterly failed. It is the saddest story and it is just wrong to do this to people."

In a report released in October last year, Drake Management Consulting surveyed 500 senior executives and human resources managers nationwide about their age preferences in relation to recruiting, retrenching and training executive staff. Not one of them said they would employ managers or executives in their fifties. The majority also

up to 50 positions. It was, he says, a crushing experience - not because the language of work had changed (which it had, radically) nor because he was forced to consider a dramatic drop in salary. Rather, it was the indifference bordering on contempt shown to him because

One woman in her early twenties interviewed Spicer for a job that required him to do nothing more than telephone people on behalf of a company organising speaking events. He could have done it on his ear.

"I never got past first base," he tells GOOD WEEKEND. "I tried to explain to her about the



#### "He was absolutely broken. I didn't even like to leave the house because I didn't know whether he would gas himself or not ... It was total dependency."

Most companies didn't bother to reply. Latham grew more depressed by the day. His wife, Helen, wrote to the centre, asking that it provide her husband with outplacement counselling. There was no response.

"He was absolutely broken," Helen Latham says now. "I didn't even like to leave the house because I didn't know whether he would gas himself or not. He would ask me all the time, 'What are you doing? Where are you going?' He drove us crazy with all his questions. The kids would come down the stairs to have a shower and he'd just want to talk to them [on the landing]. It was total dependency."

Within weeks, the Lathams had sold their Victorian terrace and moved out of a community they'd grown to love. They bought a house half the size of the old one, half the value and directly under the flight path. They still feel displaced.

In June 1998, seven months after Robert Latham's exile began, he finally managed to get a job, as a farm labourer in the Hunter Valley. "I was on an olive farm planting trees, sleeping in a tin shed, getting labourer's wages and working 10 to 12 hours a day," he says now. "I took the job because by this stage I was desperate."

VER THE PAST 15 YEARS, ROBERT LATHAM'S Quiet agony and shame have been replicated hundreds of thousands of times throughout Australia. Probably in a house near you, if not inside your very own.

Unlike the chief executive who departs with the golden handshake; or the blue-collar worker whose factory closure elicits, at the very least, union support, public sympathy or both; or even the unemployed youth whose plight is never far from the public mind's eye, the middle-aged white-collar male's fall from grace is largely hidden from view. It stirs little national debate, little collective emotion.

said that this group would be the first to go in any retrenchment.

The conclusion by Drake was that a youth culture had so begun to dominate the corporate culture of Australia that many organisations were denying themselves much-needed maturity and wisdom.

Take the case of Howard Spicer. At the age of 61, Spicer decided, for personal reasons, to leave his job on an international aid program and look for new opportunities. After seven years overseeing the building of dams, setting up training programs for disabled children, and helping to establish economic incentive programs for impoverished communities, Spicer was ready for a change.

He felt well-qualified, too. He was proficient in typing and computer software programs, spoke several languages, had a diploma in public administration, and was a seasoned negotiator in often-difficult overseas situations. He believed there had to be a place for him somewhere in the Australian job market.

Over a two-month period, Spicer applied for

micro-enterprise development program I had set up in the Philippines. But she was clearly uncomfortable with me telling her the sorts of things I had done.

"Anyway, she said she would call me in the afternoon, so I sat here waiting for the phone to ring, but it never did. I started to get used to that after a while."

A few weeks into his job search, Spicer decided to dye his hair and take 10 years off his age on his CV. He recognised that the colour didn't look quite natural, but it made him appear much younger. He rewrote his résumé and eventually landed a job with a wholesale company.

The company was badly managed and Spicer remained there for only a short time - but

#### The way Australia works

- The proportion of working-age men in full-time jobs fell from about 80 per cent in the '70s to below 60 per cent in 1996.
- In 1966, 75 per cent of men aged 60 to 64 were in full-time employment. In 1996, that figure was 34 per cent.
- Part-time jobs increased around 300 per cent between the early 1970s and the early 1990s.
- Casualisation of the workforce has seen the percentage of permanent part-time employees fall from 38.1 per
- cent in 1985 to 32.5 per cent in 1996. Fewer than two workers in five now
- work the once-standard eight-hour day,
- More than one-third of employees who work overtime are not paid for their extra hours.
- Around 750,000 to 800,000 Australians are officially out of work at
- In 1973, the average duration of unemployment was 10 weeks; by

- 1996, it was lasting nearly a year.
- In the mid to late 1990s, around 170,000 Australian workers over 45 were unemployed. Of these, 62,800 were women; the rest were men.
- Mature-age unemployment has risen disproportionately in the past decade, with the number of unemployed aged 45 to 64 rising at more than twice the rate of unemployment in general.
- Sixty-two per cent of all unsuccessful job seekers are aged 45 to 69.

long enough for his employer to find out that he was not really 51.

"I almost lost my job because of that," he says. "They were furious because they said I had lied in the interview. I wouldn't accept their anger because I thought, 'Righto, fella, you become 61 and sit in an interview room and try to get a job."

Spicer is now working for a company specialising in information technology. He is considering other future work possibilities, perhaps setting up a business with a friend or returning to international aid work. Money is tight and his wife has urged him to just accept a pension. Spicer won't hear of it. "I just couldn't do that," he says. "I don't think I'm old enough."

HERE WERE NO WARNING SIGNS, OF COURSE, in the 1950s and '60s, that the halcyon days of full employment and sole breadwinners would be over by the time men like Robert Latham reached mid-life. And there were certainly no indications that corporate Australia would respond to globalisation as ruthlessly as it did.

Latham was the typical "baby boomer" male who'd grown up on all the promises of the postwar period. He had every reason to feel privileged and confident.

"These men went into the workforce with a pretty debonair feeling," observes social researcher Hugh McKay. "They believed they could do what they wanted to do and, by dint of their birthright as Australians,

As American sociologist Richard Sennett explains: "The reasons for this failure were in part self-evident: the morale and motivation of workers dropped sharply in the various squeeze plays of downsizing. Surviving workers waited for the next blow of the axe rather than exulting in competitive victory over those who were fired."

Paul Stevens, a prominent Sydney-based "worklife" counsellor and the author of 38 books on the subject, has seen this "survivor's trauma" close up. For the past 21 years, he has run the Centre for Worklife Counselling in Sydney, where he has listened to literally thousands of stories from bewildered, anguished men who have been made redundant, live in fear of being made redundant or have seen their colleagues made redundant.

A few months ago, a 40-year-old executive came to see him after his company had arranged for some counselling. The man had requested special leave two months earlier, but felt incapable of returning to work.

"This man was being physically sick [each day] in the company toilets," Stevens says. "He was emotionally disturbed by all the restructuring that

'He said, 'When I started with my employer, there were 40 of us. Now I'm the only [one left].' He had survivor's guilt. It was like, 'Why didn't I

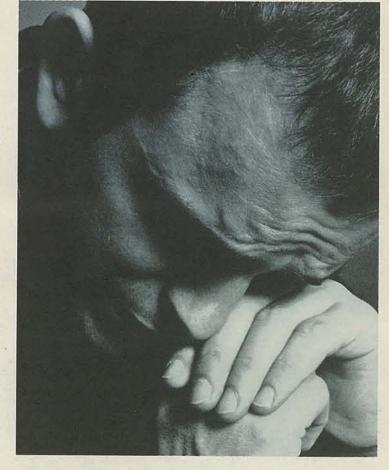
Over a five-year period of restructuring, this executive had been given numerous promotions, and regular increases in salary. This only served to compound his guilt over the fate of his colleagues.

for dealing with current realities than behaviour based on values of loyalty and service".

Sennett believed this "cult of short-termism", when transposed to the family realm, destroyed trust and mutual commitment between people. It corroded the character because it suggested strongly that the newly defined qualities of good work - being adaptable, being open to change at short notice, being prepared to take risks continually - had replaced the qualities that once stood for good character: loyalty, stability, mutual commitment and the pursuit of long-term goals.

Gregor Wilson (not his real name) believes that, too. In 1998, he was "sacked" by Kodak Australia after 21 years with the company. His colleagues learnt of his fate before he did. (Kodak, of course, was hardly alone in dispensing with the services of long-time employees; its actions were emblematic of the new corporate mindset.)

Wilson had joined Kodak in 1977 with a science degree and an MBA from Melbourne University. At 32, he was considered one of the young tigers in the company, a new and



#### "They went into the workforce with a debonair feeling. They believed they could do what they wanted ... the escalator was always going straight up."

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"It was a great misfortune for them [because] it was an aberrant period in Australian history. Now, instead of coming into what they thought would be the maturing of their careers, they are finding themselves part of a massive restructuring where the bottom line is tyrannical.

"It has been a big shock to this generation of men and women, but particularly men, because the other thing they have had to cope with is that they are the first generation of Australian men who have had to find a way of accommodating the women's movement.

"They have come from a long line of Australian males whose heritage was the huntergatherer and they have had to adjust their thinking about that in an emotional and gender way while the harsh realities of the workplace wreaked a new agenda."

According to a 1997 Sydney Morning Herald/AC Nielsen-McNair poll, almost onethird of Australian households have felt the pain of retrenchment. Downsizing has occurred at such a blistering pace that the retrenchment rate here per head of population is actually double that of the US.

But to what end? A study in the early 1990s by the American Management Association clearly demonstrated that those businesses which had vigorously pursued downsizing had actually ended up with "lower profits and declining productivity. Less than half the companies achieved their expense reduction goals, [while] fewer than one-third increased their productivity." "He pleaded with his HR person that he wasn't ready to come back," Stevens says. "He said to them, 'It's not in your interests to have me back,' which is why they rang me.

'[When I saw him] I hugged him. I listened to him. I reassured him that help was at hand." Stevens advised the man to resign. "My early diagnosis was that he was so wounded he would be of no use to his company."

N HIS GROUND-BREAKING BOOK, THE Corrosion of Character, published in 1998, Richard Sennett explored the personal consequences of work in the new capitalism by showing how the modern workplace had conspired to destroy the qualities of life which helped bind people together.

The traditional career path, Sennett wrote, had been replaced by the motto "No long term" - a chameleon culture in which organisations were constantly seeking to redefine their structures by becoming leaner, flatter and more flexible. They had produced a world marked by the "strength

Sennett quoted John Kotter, a Harvard Business School professor, who'd been counselling young people to work "on the outside rather than on the inside" of organisations.

Institutional loyalty, Kotter asserted, was a trap in an economy where "business concepts, product designs, competitor intelligence, capital equipment and all kinds of knowledge have shorter credible life spans". Detachment and superficial co-operativeness were, therefore, "better armour

valued member of the "Kodak Family". Over the years he'd become an integral member of the company's management team, involved in financial and strategic decision-making, as well as marketing and quality development. He liked his job and he liked the values espoused by the company, particularly its emphasis on open relations, integrity, trust and respect for the individual.

In the late 1980s, however, the corporate culture began to change. The company's manufacturing plant at Coburg came under huge pressure from overseas, courtesy of Fuji's entry into the American marketplace. Eastman Kodak, the US-based parent company, wanted to improve its cash flow by \$1 billion worldwide. It needed to rationalise, and Australia, as a relatively high-cost manufacturer, was an obvious target.

In order to forestall this, the Federal government in 1989 decided to offer Kodak a \$36 million tax break over five years on the proviso that it refrain from sacking 500 of its employees and closing down its Coburg plant. The company employed more than 3,000 people and was the country's second biggest exporter of "elaborately transformed manufactured goods". It was deemed too important to lose.

By 1998, Kodak had downgraded its Australian research facility and manufacturing operations to such an extent that the only fully manufactured product it was still responsible for was colour photographic paper and film. Everything else – graphic arts material, X-ray products, business equipment and cameras – was being imported.

Throughout this period, Gregor Wilson had grown increasingly disillusioned with the company's competition, global markets and survivability. "It was a very traumatic time for everybody," Wilson recalls now, "because in a sense everyone became a sacker or a sackee."

One "sacker", Wilson says, actually refused to comply with the company's injunction. "He apparently said [to his boss], 'If you want to pull the place apart, you do it.'" He resigned, at significant financial cost to himself.

At this man's farewell dinner a few days later, another supervisor revealed to Wilson's wife that he was so appalled by what was being demanded of him that he was finding it impossible to sleep at night. What options did he, the

### "At half the desks, there was no-one there... The few people left were walking around in a daze ... People had lost their mates."

changing ethos. Because of this, he'd decided in 1990 to go part-time. It suited his lifestyle better, giving him more time to spend on his farm in central Victoria. By his own admission, he was far better off than most of his colleagues, but still needed the income and personal satisfaction that work offered.

In 1996, Wilson was advised by the company that he was to lose his permanent part-time employee status and become a contractor. He claims he was given no choice in the matter. Wilson believed he was now at serious risk of becoming a victim of the new Kodak culture – what the company called Best Practice Benchmarking (BPB).

BPB measured the best profit-to-sales and profit-to-assets ratios around the world and took the highest measure to be the required benchmark for all its operations. To ensure this benchmark was reached, senior management were urged by head office to cut costs, in return for which they would receive handsome performance bonuses.

Initially, this was seen as a necessary way of removing "fat" from the system. Over time, it became a far more ruthless exercise than that. In the 10 years to 1998, hundreds of people were to lose their jobs.

(Kodak's managing director, John Allen, claims hundreds of others also gained jobs during this period. "Kodak is an extremely responsible employer," he says. "It would rate very highly across Australian companies.")

Most of the lost jobs were in manufacturing. Some, like Wilson's, were in consumer marketing, the heart of the company's Australian business and profitability.

In June 1998, an edict was handed down from head office that retrenchments were to begin in the consumer marketing division. Supervisors were under instructions to compile lists of names. There was no publicity, just an in-house pronouncement about increased

supervisor, have? In a few days' time, his boss would be asking him for the list.

In the midst of this upheaval, an American executive based in Kodak's Singapore office arrived in Melbourne with the task of ensuring the rationalisation of the division. Over a three-month period ending in November 1998, half the consumer marketing staff, 25 people all up, lost their jobs.

"What was so outrageous," says Wilson, "was the completely uncaring way in which the sackings were done. There was three months of uncertainty which became absolutely debilitating for everyone.

"The other terrible thing was that, from an Australian point of view, Kodak had been so gutted that it had gone from being a comprehensive subsidiary into an outlet distributing American products."

In early November, Wilson went to work and found an office in a state of numb disbelief. "At half the desks, there was no-one there, and the few people who were there were walking around in a daze. It was real war-zone stuff. People had lost their mates."

By the end of November, Wilson was officially given one month's termination notice on his contract. He was 53 years old. (Kodak's John Allen says the contract expired and was simply not renewed. "This was not an employer-employee situation," he says. "It was a contract with another company.")

That evening, Wilson went home and started to call all those who'd just been sacked, in the hope of initiating some kind of collective response. His efforts proved fruitless. The company had attached confidentiality clauses to each person's termination package. It was now every man for himself.

T FIRST GLANCE, THESE ARE society's most successful people. Middle-aged men with status and recognition. The accolades of senior



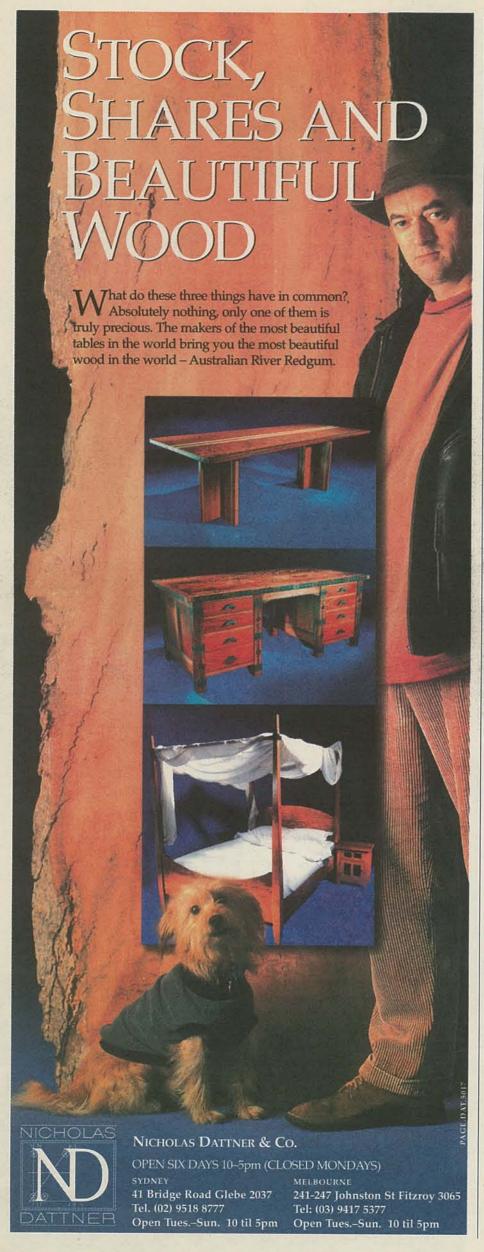
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When Gregor Wilson lost his job, he found himself unexpectedly thrown into the role of "house husband". His wife worked full-time and, although two of his three children were at university, there were jobs to be done at home which he could no longer ignore.

"It has shown me a lot about the anger of women," he reflects now. "It has given me a real insight into how they feel when they don't have an income or a position of status and yet their work is never-ending. No-one ever comes in and

humane approach practised by a growing number of progressive companies – career advice, employee assistance programs, counselling, workplace child-care centres.

According to Stevens, however, there is little to be gained from looking for justice and efficiency inside organisations. "Organisations are just organised chaos and that is why I try to teach people how to anchor themselves in a world of radical change and chaos. How do you do that? By finding out who you really are."

The executive with survivor's guilt, for example, is still off work. He resigned

### He felt invisible without a paid job. "Welcome to the real world," said his wife. "That's what it's like for most women."

says, 'That's a great job you've done with cleaning the floor.' So, in that sense, [losing my job] has proved a real positive in terms of becoming connected."

When Robert Latham was given 15 minutes to leave his job at the language centre, he doubted he would ever recover from his humiliation.

A few months into his forced retreat from corporate life he observed to his wife that he felt invisible without a paid job. "Welcome to the real world," she replied. "That's what it's like for most women." Latham believes that the physical discipline imposed by the farm labourer's job in the Hunter Valley probably saved his life. What saved his soul, though, was the love and support of his family, coupled with a forced period of reflection.

"I think I came to a spiritual understanding of myself," he says. "I think men are lazy. I think I stopped growing emotionally from the time I was 15, and what I had to do last year was like a late adolescence without the pimples. I had to discover who I was and what I was about. I used to react to the trappings around me rather than who I really was – which is just an average Joe."

Paul Stevens, the director of the Centre for Worklife Counselling, believes the sooner it is understood by middle-aged men that the traditional career path is over, the better it will be for them. Not only will it help them adjust more quickly to the new capitalism, it will help them discover a new meaning in work, as well as a purpose beyond work.

"The average human being only thinks in terms of job and career, but the inner person, whoever he is, actually lives his life thinking, 'What the f... is this all about?' – ie, what is my calling? They might only articulate it in terms of job and career, but what they are really yearning for is a raison d'être."

There are people, of course, who will carry to their graves the shabby and demeaning treatment handed out to them by their employers. There are others who will benefit from the more from his company shortly after seeing Stevens and is now enrolled in a pottery course. "He is exploring other dimensions in himself before he decides whether the commercial world is still for him."

Susie Linder-Pelz, director of Good Decisions, a company specialising in midlife career moves, has seen countless men forced to re-evaluate their lives because of the massive revolution in work. These are men who feared staying in their jobs as much as they feared leaving them; they feared not being relevant, not being in demand. And, of course, they feared discussing these issues because for most of their lives they had always been in control.

One client of hers was a criminal lawyer who revealed in counselling that what really interested him was children rather than the adversarial nature of law. After long periods of discussion and introspection, he is now at university studying child psychology.

Another client, an accountant, came to her not because he had been retrenched or even feared being retrenched, but because he found the nature of his work insufferably boring. What slowly emerged through the tear-filled hours was that he'd always dreamed of running an outdoor adventure business. That business is now in its embryonic state.

But let's not kid ourselves. In the new economy, an increasing number of people will be doomed to fail in their chosen career. Life will not turn out as it was supposed to. Careers will be broken, loyalties will be severed; a lifetime of experience will be deemed worthless.

The challenge, then, for many will be to find self-worth in other ways, through applying professional skills in other areas; through children, through partnerships, through hobbies, through a deeper commitment to community.

Gregor Wilson had his farm in central Victoria to go to when he was sacked by Kodak. Robert Latham found salvation in the Hunter Valley. Where will all the other men go when they are shown the door?