Developing a Community-Based Program for Reducing the Social Impact of a Plant Closing*

THOMAS D. TABER
JEFFREY T. WALSH
ROBERT A. COOKE

On January 16, 1975, MN Industries announced their decision to phase out operations at their Great River, Michigan plant. The announcement triggered a course of events that culminated in an innovative social experiment, the impact of which cannot be fully known. The experiment melded management, union, university, and community representatives into a temporary interorganizational system. This voluntary coalition assumed responsibility for organizing available human services into a coordinated attack on the complex and intense problems expected to result from sudden widespread unemployment. Since the coalition was unique, it required equally unique combinations of organizational theory and intervention to facilitate its development. This paper describes critical phases in the development of the system, action steps taken to facilitate passage through each phase, and organizational theory useful for understanding and evaluating the processes that took place.

Thomas D. Taber is Associate Professor of Organizational Behavior, Department of Management, University of Cincinnati. Jeffrey T. Walsh is Research Scientist, Batelle Human Affairs Research Centers. Robert A. Cooke is Associate Research Scientist, Institute for Social Research, The University of Michigan.

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BACKGROUND
The MN Shutdown

MN Industries[1] was faced with a barrage of problems. Due to the sluggish sales of new cars, the demand for the automotive components and trim produced at MN's Great River, Michigan plant had declined significantly. More importantly, with the trend toward lighter and more energy-efficient vehicles, MN's heavy zinc and bronze castings were becoming outmoded by lightweight plastic components. In addition, its plant was old and difficult to maintain, but new and more efficient facilities were too expensive to construct. Finally, its labor force had become costlier than those in small, nearby, non-union job shops. With no relief in sight from any of these critical problems, the decision ultimately was made to close down the Michigan plant and to consolidate production at division headquarters in Ohio.

The problems faced by MN Industries in 1975 were similar to those faced by many other American organizations in the mid-1970s. Changing technologies, environmental protection laws, worker safety regulations, increased costs of modernizing facilities, as well as changing labor markets and consumer demand patterns placed increasing pressures on many businesses. When magnified by a depressed economy, these pressures forced some firms to relocate plants, others to consolidate operations, and yet others to simply terminate production. The widespread unemployment resulting from those actions very likely had serious consequences for the firms involved, for the communities in which they were located, and especially for the former employees.

Previous research on unemployment has shown that people whose employment is suddenly terminated, or who anticipate such termination, show physiological signs of strain such as elevated blood pressure (related to heart disease and hypertension), elevated uric acid (related to gout), and elevated pulse rate (related to feelings of tension) (Cobb & Kasl, 1970). Such individuals may also display psychological strains such as depressed mood, diminished self-esteem, and lowered satisfaction with life. Additionally, their family relationships may become severely strained (Gore, 1973).

When the MN Industries closing was announced publicly on January 16, 1975, 850 hourly and salaried employees worked at the Great River plant— down from a high of 2,000 employees the previous August. Many of the people still working at the plant had been with the company more than two decades, were middle-aged, and probably were unprepared to deal with the potentially intense problems associated with unemployment. Nevertheless, the prospects for the unemployed and soon-to-be-unemployed MN people seemed relatively favorable because Great River had numerous federal, state, municipal, and private programs available to deal with the social problems of its citizens. It did not appear, however, that the current collection

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[1]The name of the corporation and the city in which it is located have been changed to preserve anonymity.

of social service agencies could coordinate their activities so as to effectively deal with the unique constellation of problems caused by sudden, large-scale unemployment in the community. Therefore, the pragmatic question for MN Industries became, "How can operations be terminated at Great River with minimal costs to the company, the employees, and the community?"

The Community Action Team

Shortly before the plant closing was announced, MN representatives met with researchers at the Institute for Social Research (ISR) to discuss which programs the company could offer to help its employees cope with their impending job losses.[2] ISR recommended that the programs not be run unilaterally by the company. Instead, it was proposed that former employees could best be assisted by establishing, in cooperation with the United Auto Workers and relevant Great River social service agencies, a "community action team" for dealing with unemployment.

The community approach was recommended for three reasons. First, a community-based program could offer resources and services above and beyond those which might be offered by the firm. Second, the problems created by the plant closing would persist long after MN Industries left Great River; existing community agencies—properly coordinated—would be in a better position to deal with these problems over the long run. Third, employee resentment might minimize participation in company-sponsored programs. It was expected that employees would be more willing to accept programs and activities coordinated by a "neutral" community organization.

The program which eventually was implemented consisted of two major components to increase cooperation among community agencies and to ensure that the services were fully used. First, an organization was developed to coordinate those community agencies which could offer services or resources to the MN unemployed. Second, an in-plant counseling program was established to help the workers define their problems and contact the appropriate helping agencies. That two-pronged approach was designed to meet the special needs of the MN unemployed and to overcome the limitations of the human services delivery system in Great River.

The Gap Between Human Needs and Social Services: A Diagnosis

Though the social services available in Great River were impressive, we were struck by the complexity and persistence of the personal problems of some of the unemployed MN workers. It appeared that the reasons many of these problems persisted lay both in the structure and functioning of the

social service agencies and in the motives and competencies of the individual employees themselves. We attempted to diagnose the reasons for the persistence of problems by interviewing several representatives of Great River organizations who were familiar with MN employees. We also conducted unstructured interviews of workers still at the plant. That initial diagnosis was carried out early in 1975, and was supplemented late in 1975 by information from counselors' records[3] and from a telephone survey of 542 MN workers.

Employees' Motives and Competencies

It became clear to us that many individuals either could not anticipate what their situations would be like once they were unemployed, or simply could not accept the fact that they were going to lose their jobs. Employees seemed to fixate upon any rumor that the plant would not close. As a result, many employees remained unprepared for the potentially dramatic changes in their lives which would result from the loss of their jobs. In addition to this tendency on the part of MN employees, our diagnoses surfaced several other factors which contributed to the persistence of their personal problems.

People did not have information about possible helping agencies. Many MN employees lacked information about the types of services and programs available, whether they could qualify for these services, and how to obtain the services.

Employees did not recognize their problems. Few of us are capable of diagnosing the roots of our own problems. The MN employees were not exceptions to this rule. Few employees could articulate the many ways they would be affected once they lost their present jobs. For example, many of them did not recognize that even if they found another job with a new employer, they would have no seniority, and, therefore, probably would have lower wages than those associated with their senior positions at MN Industries.

Employees did not seek assistance until it was too late. Time and again, employees did not seek help until a potential problem had become a full-blown crisis. Employees would not seek assistance until the utility company threatened to discontinue service; until their furniture was being repossessed; or until their rent was long overdue. Paradoxically, we were continually told by representatives of the various organizations that, "We could have helped Mr. X, if only he had come to see us earlier." Almost always, we found that *anticipation* of problems was the critical element in their successful solution.

Employees lost fringe benefits as well as wages. Cessation of wages is only one part of the employee's economic loss. Fringe benefits form a substantial part of employees' compensation, but are often not visible to the employees.

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[3]A coding system was used to preserve the confidentiality of counselors' clients.

The discontinuation of fringe benefits was especially severe in the MN situation, because a majority of the employees were late middle-aged. Many employees felt they could not continue to pay their entire Blue Cross/Blue Shield premiums, and some experienced severe financial problems from subsequent medical bills.

Employees did not have job-seeking skills. Many MN employees had never had to search for jobs in a labor-choked market, nor had to job hunt for more than 20 years. They had little idea of how to go about getting a new job. Additionally, most employees entertained no thoughts of looking for work outside the Great River area.

Employees had complexly interrelated problems. Not only did some employees have multiple problems, but the problems were often complexly interrelated. Unfortunately, the delivery system for social services in Great River appeared to operate as though clients had only a single isolated problem which could be solved by a particular agency working autonomously. The delivery system was *problem-oriented* rather than *person-oriented*, but employees did not seem to be prepared to deal with more than one agency at a time.

In a nutshell, many of the reasons why individual needs were not being met by social service programs stem from the employees' lack of what Katz, Gutek, Kahn & Barton (1974) have called "bureaucratic competence"—the ability to deal successfully with bureaucratic agencies. Bureaucratic competence has been shown by Katz et al. to be less developed among older, less-educated, blue collar persons. Such persons formed the bulk of the MN workforce.

The Community's Competency

The source of difficulties was not exclusively due to the lack of bureaucratic competency among MN employees. Equal responsibility lay with the lack of competence of the community helping agencies. In fact, Cottrell (1964, as described by Iscoe, 1974) has coined the term "community competence" to describe the capacity of a community to provide resources so that members of the community can make reasoned decisions about their own problems.

The Great River community possessed a large and diverse group of agencies, programs, and funds which could provide some type of assistance to unemployed citizens. Many of these agencies were well-known and their services highly visible. Additionally, some agencies offered a number of programs and resources which were not readily apparent. It was obvious, for example, that the Michigan Employment Security Commission provided unemployment compensation benefits. But MESC offices also became an invaluable vehicle for contacting and communicating with unemployed persons, many of whom were difficult to locate by telephone or mail. In all,

more than 200 federal, state, municipal, and private programs were iden-
tified in the Great River area which could provide services to the MN un-
employed.

The social services programs which exist in many communities, including
Great River, are autonomous projects directed by independent agencies.
Their activities do not form an integrated attack on the unique constellation
of problems produced by sudden unemployment. Each agency, seeing only
part of the constellation, might not recognize the other problems of the
employees. Schulberg (1972), for example, has observed that a family with
a developmentally disabled child might have to negotiate separately with
agencies from the Department of Public Health, Mental Health, Public Wel-
fare, and the Rehabilitation Commission in order to receive comprehensive
services and financial aid. It seemed in Great River that the independent
agencies were not likely to recognize the magnitude of the problems associ-
ated with the plant shutdown.

Probably the weakest link in the human service delivery system is its in-
ability to be proactive in seeking out individuals with problems. Generally,
the various agencies depend upon individuals to correctly diagnose their
own problems and to present themselves to the appropriate agency for
treatment. Thus, for example, the Family Counseling Agency (FCA) provides
services to a family where at least one member recognizes the existence of
a problem and also is aware that FCA can help with the problem. The agen-
cy, however, is at a loss to deal with families who have not diagnosed their
own problems, or families which have recognized their problems but are un-
aware that there are professionals able to help them.

These gaps in the current social services delivery system help point out
some of the essential elements necessary for community competence. First,
there must be *comprehensive services*. With its wealth of people and pro-
grams, comprehensiveness of services did not seem to be an issue in Great
River. Second, there must be *coordinated services*. Coordination is neces-
sary to avoid unnecessary duplication of effort, to correctly identify multiple,
complexly related problems, and to gather an accurate picture of the total
impact of the problem on the community. Third, the competent community
must be able to be *proactive* in providing its services to those who need
them. People in need must come in contact with the appropriate resources
in order to receive assistance from them. Proactivity on the part of service
providers becomes necessary, as well as bureaucratic competence on the
part of the person in need.

The MN Industries project can be seen as an attempt to bridge the gap
in the human services delivery system in the Great River community. It
sought to provide a mechanism to coordinate fractionated services to match
the unique configuration of problems presented by the unemployed. It did
this by establishing what came to be called the *MN Community Services
Council* as an interorganizational system for mobilizing community resources

around the problems of the MN unemployed. Simultaneously, the in-plant counseling program was established to diagnose, counsel, refer, and follow-up on individual employees' unique patterns of needs. In-plant counseling provided the proactivity necessary to get individual needs matched with system resources.

In summary, then, the community action team appeared to be a viable approach for aiding the MN unemployed. The action research problem was to figure out what tasks needed to be done in order to make the idea a reality. Although many of our subsequent action steps were unplanned and reactive, we were sensitized to a general agenda of tasks to be accomplished based upon previous organizational theory and research.

Theoretical Perspectives Guiding Research and Action

The MN Community Services Council could be described as a "Voluntary Synthetic Interorganizational Community Human Services Coordinating System." Although not a concept around which even fervent followers would develop patriotic allegiance, the description is a very accurate portrayal of the phylum, order, genus, and species of organization into which the Council could be classified. *Phylum*: Interorganizational. *Order*: Synthetic, Voluntary. *Genus*: Coordinating System. *Species*: Human Services. Our purpose in so describing the Council is not to categorize it into a tidy intellectual pigeon hole; rather, it is to point out the several domains of organizational theory and application relevant to understanding the development of this unique coalition. Our intervention effort occurred at the intersection of numerous theoretical domains and organizational development techniques which seem not to have come together before. Certainly there was no well-established model to rely upon for developing a synthetic interorganizational coordinating system from scratch. We had, therefore, to piece together an interorganizational development strategy from several theoretical perspectives and from a grab bag of development techniques. Two organizational theories which provided the most important items to the agenda of tasks to be accomplished in developing the Community Services Council were Thompson's (1967) notion of a *synthetic organization* and Rice's (1970) *interorganizational systems theory*.

Synthetic Organization

According to Thompson (1967) a synthetic organization can emerge as an *ad hoc* response to a community crisis, such as a devastating flood or other natural disaster. A coordinating committee, for example, may arise to integrate disaster relief. Several characteristics distinguish such an organization from others. Most importantly, it has relatively great freedom to acquire and use community resources. It has, however, several special problems of development. First, it must establish among participants a consensus about what are the essential points of the problem, the appropriate responses,

the appropriate clientele for assistance, and so on. That is, the organization must develop *domain consensus.* Second, under conditions of great uncertainty, it must learn the nature and extent of the problems to be solved, as well as the nature and extent of the resources available to solve the problems. (In fact, Thompson predicts that an authority structure will develop around the individual or group which simultaneously possesses information about the needs for resources and availability of resources.) Third, for intergroup linkages to be established, the individual groups must defend themselves against uncertainty about the *integrity of their boundaries.* Fourth, the synthetic organization must simultaneously *develop its structure* while it carries on operations. Finally, it must accomplish these four tasks *without well-developed channels of communication* or previously established rules. Thus, the idea of a synthetic organization, which the Council was, suggested that as change agents we needed to help develop domain consensus, learn the extent of the problems, identify available resources, protect participating organizations from threats to their boundaries, help establish an operational structure, and provide channels of communication where there were none.

Interorganizational Systems Theory

A. K. Rice (1970) once said that, " ... the making of any intergroup relationship carries with it the possibility of a breakdown in authority, the threat of chaos, and the fear of disaster." Rice's pessimism can be readily appreciated when intergroup relationships are examined in terms of boundary spanning activities. Intergroup transactions involve complex problems of boundary control (Alderfer, 1976). The behavior of a group of representatives appointed to carry out some transaction on behalf of their respective organizations involves transactions taking place simultaneously across multiple boundaries. Figure 1 illustrates some of the boundaries present in the MN Community Services Council.

As it eventually developed, the Council consisted of five committees and a liaison group. To form a synthetic organization—indicated by the cross-hatched boundary—from these six groups required that account be taken of boundaries between individual representatives and their home organizations, between representatives within each group, between the groups, between the home organizations of the Council members, and between the Council and the environment in which it existed. It was apparent to us that development activities aimed solely at individuals, solely at groups, or solely at intergroup networks would not be successful in forming an interorganizational system. We attempted, therefore, to key our interventions and our observations to at least three different levels of analysis. At the individual level, we were concerned with events in terms of the perceptions, goals, beliefs, and motivational forces operating on the people involved. At the group level, we were concerned with the formal and informal relationships which emerged among persons occupying roles in the relevant organizations

and community agencies. At the interorganizational level, we were con-
cerned with the complementary resource bases, interdependencies, com-
munications, and authority relationships among the participating organiza-
tions. As will be seen in the next sections, the necessity of multi-level
intervention required that we take action steps ranging from traditional

Figure 1. Transactional Boundaries of the MN Community Services Council

ORGANIZATION SET

MN COMMUNITY SERVICES COUNCIL

MANPOWER · EDUCATION · HEALTH · RECREATION · FINANCE · LIAISON
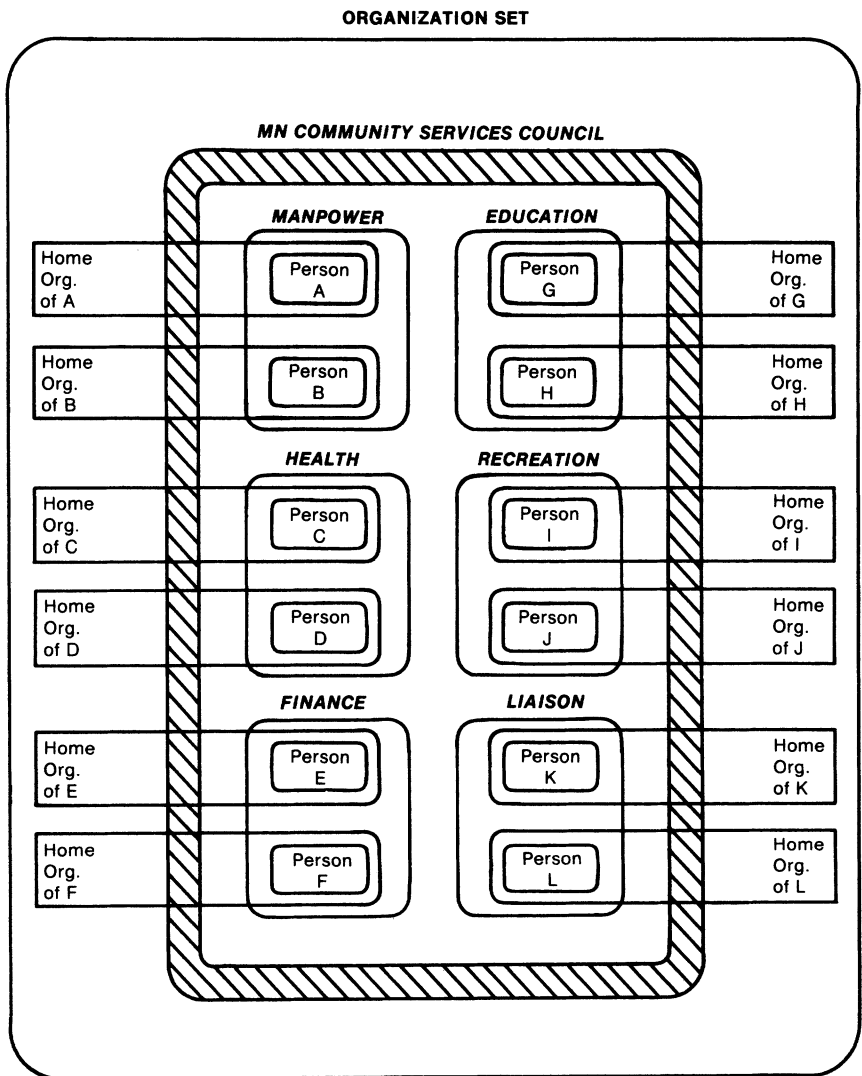
survey research, to individual leadership training, to modifications of organizational structure.

THE DEVELOPMENT OF THE
MN COMMUNITY SERVICES COUNCIL
The Role of the ISR Researchers

As change agents we assisted in implementing the community action-team strategy and the in-plant counseling program and served as consultants to the Community Services Council. We tended to follow a "rational" change style (Zaltman, Florio & Sikorski, 1977) by providing advice, information, and training to the leaders of the Council. An equally important role was as observer and recorder of this unique social experiment. We documented the events from the point of view of the individuals involved, from the perspective of the groups that were formed, and abstractly in terms of an interorganizational network. We had a third cap to wear—we were also full members of the community action team with our own values and objectives as to what the team should become. We were thus at that difficult nexus encountered when change agent, researcher, and concerned citizen roles are inhabited by the same person.

In order to minimize the inevitable bias that results when the change agent is also the evaluator of change effectiveness, the three researchers differentiated their roles (and also switched roles from time to time). Generally all three of us would be present at some event, such as a meeting of the Community Services Council. One of us generally was on the program as a participant. The second member would then be responsible for taking chronological descriptive notes of events with as little interpretation as possible. The third person would take process notes that were interpretations and evaluations of how events were taking place. Very often we augmented these notes by interviewing some of the principals to obtain their interpretation of events. Finally, (generally during our 3 1/2-hour car ride back home) we would discuss our ideas about what had happened, how effective we had been as interventionists, and what we felt needed to be done next. These discussions were tape-recorded and transcribed. Over the course of our 15-month involvement with the project we amassed a prodigious amount of field notes, transcripts, interviews, and questionnaires.

The remainder of this paper attempts to condense this wealth of data so as to describe the development of the community action team in terms of three critical phases of growth. Phase 1 involved the initial rebuff and later acceptance of the program. Phase 2 consisted of the development of the program as a resource-gathering open system. Phase 3 involved the reorganization and refocus of the program to become a service-providing system. In conjunction with the three developmental phases were many action steps necessary for the coalition to grow through each phase. We shall describe several of the action-research strategies used at each phase.

Phase I: Initial Rebuff and Later Acceptance of the Community Action Team Concept

After meeting with ISR researchers during early January 1975, two MN OD specialists assumed responsibility for proposing the community action-team plan to their corporate and plant management. Initial efforts to launch the program were very discouraging. Though the community action team concept was endorsed by the Great River plant manager, corporate support for the plan was never strong. The corporate level officials apparently feared that the project would produce prolonged entanglement of the company in the community. Corporate officials wanted a clean severing of relationships and a rapid departure from Great River. The OD specialists could not establish consensus within the corporation that primary efforts should be aimed at reducing the human costs of the plant closing. The responsibility of the corporate people, who were far removed from Great River, was to reduce company costs in the shutdown. The two domains—reducing human costs and reducing company costs—were never successfully merged.

Whereas MN corporate management gave limited permission for the project, elected representatives of the city of Great River were totally unsupportive. Two meetings of ISR and the MN OD consultants with the Mayor's Office and the Chamber of Commerce were frustratingly counterproductive and severely delayed the eventual implementation of the plan. The city representatives were not persuaded by the argument that when MN closed operations its former employees would be at least partly the community's responsibility. Additionally, the city officials felt that an interorganizational system would duplicate current structures. City and Chamber representatives were oriented strictly toward long-range business-economic-political solutions designed to improve the economic base of Great River. The MN plant manager and OD specialists, on the other hand, sought immediate solutions oriented toward helping their employees. They were not interested in long-range economic plans that would have no immediate and direct benefits for the MN unemployed. Again, there was a failure to establish domain consensus.

The combination of lack of corporate commitment, noncooperative city officials, and the usual confusion and false starts associated with any innovation served to slow down any coordinated action to help the MN employees. After the initial rebuff, one of the internal OD consultants proposed a strategy for by-passing the City and the Chamber of Commerce. He would directly contact experts (sponsored by the United Auto Workers and the United Way) who were running classes on employment services, health services, and financial management for unemployed union members. This group possibly could form the core of a community action team.

In February a meeting was held at the UAW Regional Hall. Jointly chaired by MN and the UAW, it was attended by representatives from the Michigan Employment Security Commission, United Way, Comprehensive Education

and Training Act Office, County Skills Training Center, Great River Junior College, and ISR. The meeting began on a tense note, probably due to the uncertain purpose of the group and to the joint union/management leadership. At that time the UAW and MN were still formally negotiating issues surrounding the plant closing—including the issue of whether or not the plant actually would close. Fortunately, neither the MN OD specialists nor the UAW representatives on the community action team were involved in the formal negotiations. Moreover, the MN and UAW representatives agreed not to deal with bargaining issues within the community action team. This agreement paved the way to a successful meeting. Members of this as yet unnamed group accepted responsibility for committing their organizations to assist the MN unemployed, and agreed that the primary focus of the group would be on the immediate problems of the unemployed, rather than on long-range economic solutions.

The major action stemming from the meeting was the implementation of a counseling program for MN employees. Two MN employees who were well-known and respected officials in the UAW local were selected to provide in-plant counseling for hourly employees. Later, two management representatives were selected to counsel salaried employees. A 3-day training session was arranged by Labor representatives of the United Way Community Services to familiarize the counselors with the resources and services available from community organizations. The company granted released time to the counselors so they could devote their full time to counseling activities.

The purpose of the in-plant counseling program was not to provide professional psychological guidance to employees. Instead, the counselors served primarily to diagnose problems, get their clients in contact with the appropriate agency, and follow up to insure the client had in fact taken corrective actions. The counselors became the proactive arm that the various social service agencies lacked.

Phase II: Council Growth and Development

After launching the in-plant counseling program, the as yet undifferentiated group spent some time discussing its own identity, goals, and organization. It adopted the name MN Community Services Council. The choice of name was significant. Some members of the group insisted on including "MN" in the name so that the company's responsibility for the Council would be kept public. They did not want the Council to be a smoke-screen to allow MN to "slip off the hook" unnoticed. In fact, suspicion of company motives by some members remained high throughout the life of the Council. The suspicion was not alleviated by MN actions, since the corporate office reneged on more than one promise it had made to the Council. The MN OD specialist, on the other hand, earned the group's trust through his personal integrity and commitment.

Two vital activities occupied the Council over the next several meetings: First, it sought information about the nature and severity of problems being faced by unemployed persons. Second, it sought to identify specific community resources and experts who could help alleviate the problems identified by the counselors.

To accomplish the first task, ISR suggested the formation of a "Liaison Group" to collect information about employee needs and problems. The group would consist of the counselors, the United Way Labor representative, and ISR. By keeping accurate counseling records, conducting in-plant interviews, and conducting a telephone survey of former employees, the group was able to gather very useful information about the special problems being encountered by the unemployed. Because of the great importance of the information its members possessed, the Liaison Group was given authority to call the Council together and chair its activities. Unfortunately, this arrangement would later become a bottleneck to effective Council functioning.

The Council developed by following an "expanding network" model. By this process, acknowledged leaders in a field, such as education or manpower, were invited to attend a Council meeting. They were then appointed as committee chairpersons, and were charged with identifying and recruiting whatever additional persons and resources they felt required representation on their committee. In addition to the Liaison Group, that expanding network process resulted in the development of the five specialized groups shown in Figure 1: Manpower, Education, Health, Financial, and Recreation and Family Services. Soon the Council consisted of more than 65 persons organized into the five committees, plus the Liaison Group. Table 1 displays the types of organizations represented on each of the six committees.

During this phase of development, the action steps of the ISR researchers consisted of four primary activities: First, we provided the channel of communication Thompson noted so often missing in synthetic organizations. We did this primarily by serving as official minute keepers of all meetings. By controlling the minutes, we could ensure that accurate communication was taking place among members. (We do confess that on occasion the minutes of meetings read closer to what we *wanted* to have happened rather than what actually did happen.) Having official minutes also added an important degree of formality and permanency to the group.

Second, we made process interventions during meetings. Many of our process interventions were aimed at steering the Council away from solving the particular problems of individual MN employees. We sought instead to direct their attention toward developing programmatic responses to the general classes of problems faced by unemployed persons. Our rationale was simply that a committee of 65 persons could not very effectively deal with from 850 to 2,000 unemployed persons on a case-by-case basis. Our orientation on occasion put us in conflict with the MN counselors, since the latter often wanted immediate remedial action taken on specific cases

Table 1. Organizations Represented on the Community Services Council

Manpower	*Education*
—Michigan Employment Security Commission	—Great River Junior College
—Chamber of Commerce	—UAW Regional Education
—Nationwide Employment Service	—Great Valley State College
—National Alliance of Businessmen	—Three private liberal arts colleges
—MESC-CETA	—County Skills Center
—Urban League	
—Employers' Association	
Health	*Recreation & Family Services*
—Representatives of four area hospitals	—Y.W.C.A.
—County Health Department	—Alcoholism Program
	—United Way Information and Referral
	—Catholic Social Services
	—County Department of Social Services
	—Family Services Association
	—United Way
Finance	*Liaison Group*
—Representatives of four local banks and savings and loan companies	—2 DJ salaried counselors
—Home Owners' Counseling	—2 DJ/UAW hourly counselors
—Legal Aid Society	—United Way
—Real Estate and Small Claims Court	—UAW
—Tenants Union	—ISR
—F.H.A. Mortgages	
—Urban Renewal	
—Credit Counseling Centers	

they had pending. The plights of many of the specific cases the counselors brought before the Council were so compelling that several Council meetings were dominated by firefighting activities. Thus, programmatic responses to unemployment were not developed until relatively late in the Council's existence.

Third, we used our research skills to gather and systematically feed back accurate information about the type and extent of problems being faced by the MN unemployed. We then provided direct consultation to each of the five committees in problem-solving techniques to stimulate the committees to action. For example, information about specific kinds of financial difficulties encountered by MN unemployed was summarized and presented in written form at a meeting of the Financial Committee. The data were augmented by composite case histories presented orally by the counselors. Those two information sources were intended to be both motivational prods to action and cues as to the types of actions needed. ISR then provided direct consultation to the committee in using the data as part of a structured problem-solving process (see Cooke, 1979).

Fourth, we consulted with the leaders of the Council concerning organizational structure issues. It was our suggestion, for example, that the Council establish the Liaison Group in the first place. We also coached leaders on how to prepare for each of the meetings and provided evaluative feedback about their conduct of the meetings. Our feeling was that the success of the entire project was very dependent on the skills and commitment of the leaders in the Council. Fortunately, leadership seemed present in abundance.

During this entire period, of course, we continued to maintain our field notes, to interview members of the Council, and to monitor the activities of the in-plant counselors. These evaluation procedures generated a fairly complete description of employees' needs and of counselors' actions which is presented in Walsh & Taber (1976).
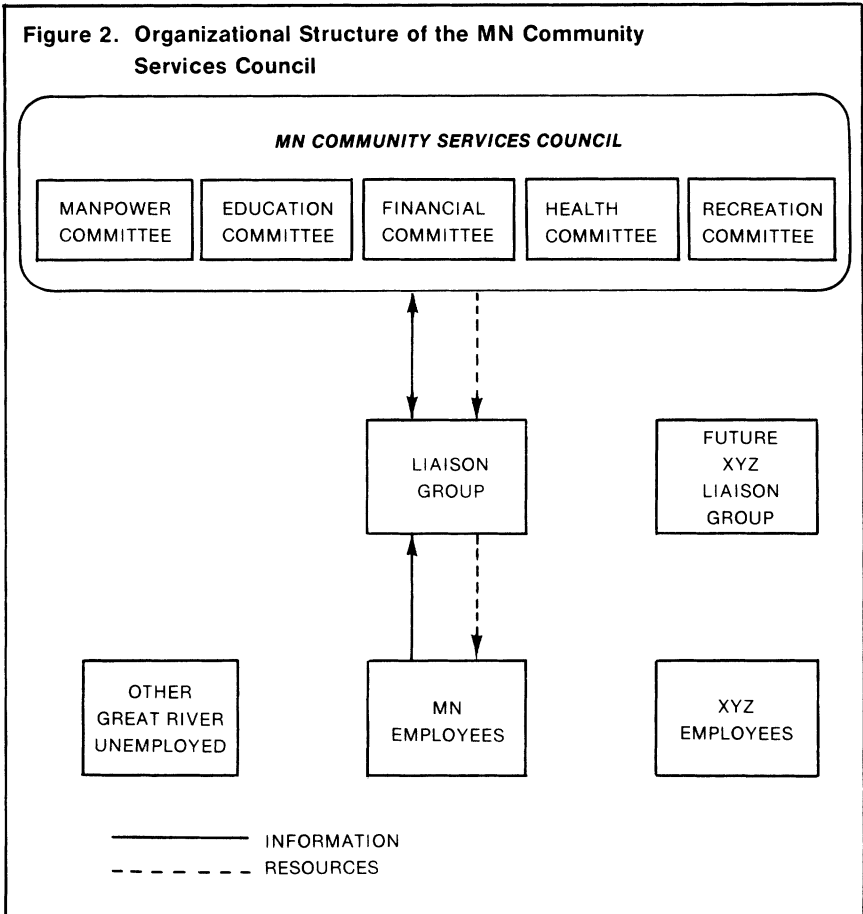
Phase III: Reorganizing and Refocusing
To Become a Community Resource

The Council was initially structured as an "open system" to gather information about employee needs and community resources in the Great River area. The guidance provided by the Liaison Group was initially very effective in getting the entire operation going, providing direction for activities, and providing a conduit for information flow into the Council, and from the Council to the counselors. Unfortunately, this initially useful organizational structure became inappropriate to the continued effectiveness of the Council. As Figure 2 shows, basic problems developed in the Council's information flow, coordination, and output.

First, channeling all information to and from the Council through the Liaison Group left the majority of Great River's 15,000 unemployed workers without a voice. The Liaison Group could speak for the MN unemployed, but not for the entire community of unemployed. Moreover, the Liaison Group had contact directly with only a minority of all MN workers, since the counseling program had reached only a portion of those who had worked in the plant. Creation of an additional Liaison Group to service another plant closing would make the current Liaison Group's control of the Council untenable. In short, the Liaison Group was becoming a roadblock instead of a conduit.

Second, with more than 65 individual members and six committees, the Council had become too complex to be effectively administered by the Liaison Group. There was no effective mechanism for communicating among members of the Council. The Council, therefore, still was not acting as a coordinating body, but as a collection of individual agencies, each pursuing its own special tasks relatively independently.

Finally, problems existed with respect to the outputs of the Council. Many Council activities still dealt with individual cases brought forward by the counselors, instead of with developing a programmatic approach to unemployment. Unless standing programs could be initiated, the Council would

**Figure 2. Organizational Structure of the MN Community
Services Council**

MN COMMUNITY SERVICES COUNCIL

| MANPOWER COMMITTEE | EDUCATION COMMITTEE | FINANCIAL COMMITTEE | HEALTH COMMITTEE | RECREATION COMMITTEE |

LIAISON GROUP

FUTURE XYZ LIAISON GROUP

OTHER GREAT RIVER UNEMPLOYED

MN EMPLOYEES

XYZ EMPLOYEES

——————— INFORMATION
— — — — — — RESOURCES

have to continue operating on a case-by-case basis, and could not possibly deal with the larger community of unemployed in Great River. Moreover, all efforts were still being directed solely toward MN employees. It was inappropriate, however, for some agencies to provide resources strictly for the benefit of a special group. Since official MN and UAW sponsorship could not be expected to continue indefinitely beyond the closing of the MN plant, the Council had to develop programs aimed at a community-wide target, with leadership from the community, rather than from management or the union.

It became clear that a structural intervention was necessary to bring the structure and functioning of the Council into line with its newly evolving goals. ISR proposed, therefore, that a temporary planning group be formed as a mechanism for restructuring the Council from a developmental, resource-gathering organization to an operational, resource-providing organization with a community focus. The committee would consist of the

chairpersons of all subcommittees and the MN Liaison Group, with *ex officio* representation by management, union, and ISR. The committee first met July 8, 1975.

During the transition period from a synthetic to a standing organization, the Council was particularly vulnerable to distintegration. The domain consensus, boundary security, organizational structure, and communication channels which had held together the original Council were left behind by the interim planning Committee. To facilitate passage through this vulnerable period required that we again be attentive to many of the same tasks guiding the initial formation of the Council. The tasks this time, however, were not so difficult to accomplish because, in addition to their general agreement that the Council should become a standing community resource, the members of the Planning Committee now had the advantage of the relatively high interpersonal trust they had developed over several months of joint effort.

Our predominant consulting role during this period was again a "rational" one, primarily oriented at showing the Planning Committee the locus of its current structural problems, and making suggestions for new alternative structures. Probably the most effective mechanism for accomplishing that educational task was a "Summary of the Community Services Council Development" which we wrote and distributed to the Planning Committee in August 1975. In addition to a chronological summary of the Council's development, the memo also presented our analyses of the Council's information flow, coordination, and output problems.

Not all the facilitating activities during the transition period were planned, and not all were conducted by the ISR researchers. In particular, an important communication channel for the committee developed in the weekly newspaper column of a *Great River News* labor reporter. The reporter attended almost all the meetings of the Council and of the Planning Committee and wrote very cogent, insightful articles describing the meetings. The columns always provided clear summaries of the Planning Committee's intentions, and often clarified for the group what it was trying (or should be trying) to do. Appearing in public print undoubtedly gave extra motivational weight to the committee's goals and objectives.

Several important changes were initiated by this committee. First, the group made its transition from an MN focus to a community focus. The transition was formalized by changing the Council's name to the Great River Community Services Council. Figure 3 presents a schematic picture of the revised Great River Community Services Council.

The transition to a community focus addressed three of the problems noted previously. It cleared the way for incorporating a voice on the Council for other Great River unemployed. It began the phase-out of the joint union-management sponsorship of the Council. And it encouraged the development of community-wide special programs by public agencies.

Figure 3. Organizational Structure of the Great River Community Services Council
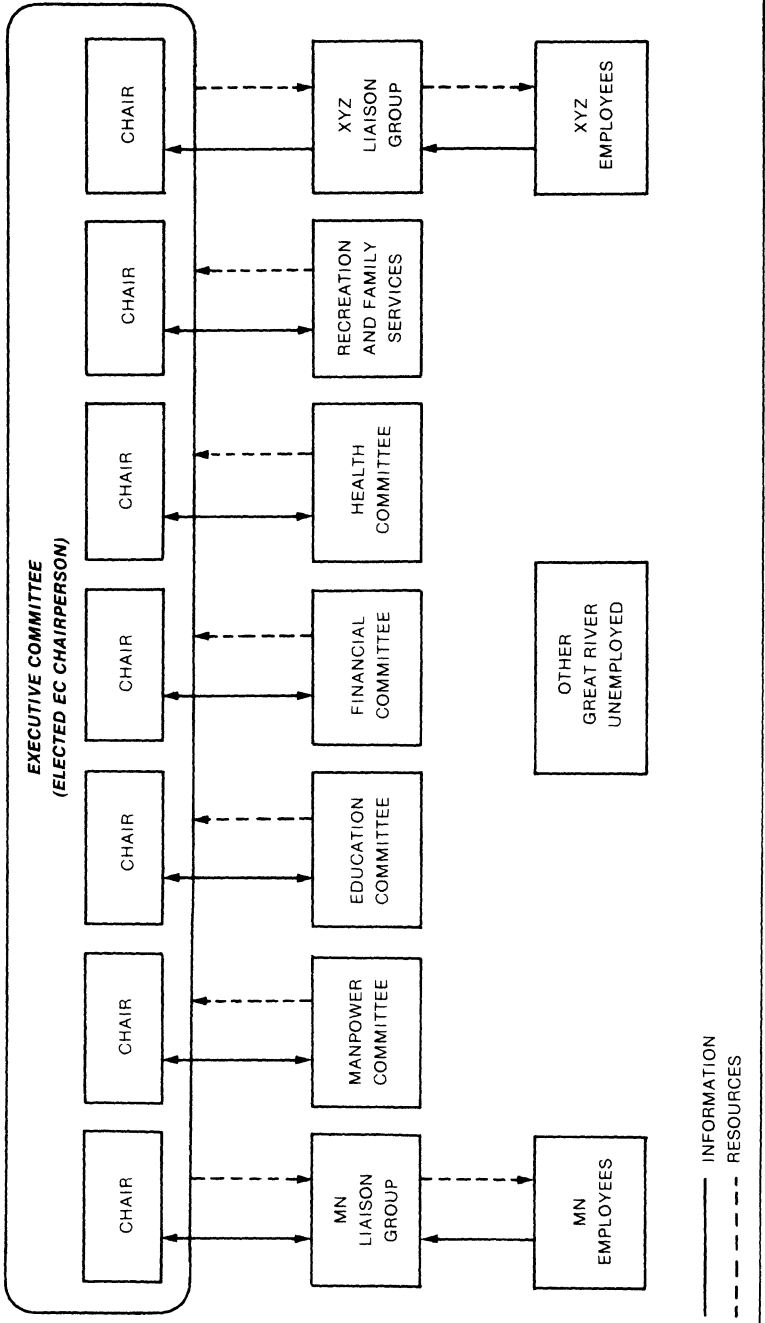
Second, decision-making responsibility was consolidated in an executive committee consisting of the heads of all committees and the heads of current and future Liaison Groups. The formation of an executive committee addressed two key problems. It provided a forum for the development of coordinated attacks on unemployment problems. Moreover, it provided a much more efficient mechanism for administering the Council.

Third, the leadership duties shifted from the MN Liaison Group to a chairperson from the community (the Comptroller of Parkworth Hospital) who was elected by the planning committee. This shift in leadership eliminated the potential problems associated with the creation of another Liaison Group. The MN Liaison Group, though still with a voice in the governance of the Council, did not control all Council activities. Other Great River unemployed potentially could make inputs to the Council, and receive resources, through the addition of new Liaison Groups. Implicit in Figure 3 is the continued intention of the Council to aid unemployed workers primarily at the point of plant closings, or workforce reductions, rather than to deal with unemployed workers at large.

A THEORETICAL PERSPECTIVE AND OVERVIEW OF THE PHASES IN COUNCIL DEVELOPMENT

Rapoport (1970) has described the aims of action research as contributing "... both to the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration within a mutually acceptable framework" (p. 499). Developing the Community Services Council was clearly an example of action research. Although guided by theory, based upon empirical data, and often planned a priori, the project was also often reactive and extemporaneous. It did not possess the capability of rigidly controlling conditions, as is required in evaluation research. We cannot, therefore, accurately assess the benefits of the Council, or compare its effectiveness relative to other possible approaches. Organizational theory, however, does provide a checklist against which the progress of the Council can be assessed. That is, we can evaluate how well we were able to accomplish the various tasks that theoretically are necessary to develop a synthetic coordinating organization. These tasks were described earlier in this report.

Task 1: Develop Domain Consensus

We were unable to obtain domain consensus with the city officials and the Chamber of Commerce, and so did without the resources of these two groups throughout the project. By circumventing the city and the Chamber, however, we were able to develop a core group of people and agencies who did agree that a coordinating body was needed, that unemployment was an issue relevant to their agencies, and that the MN employees should receive

their special attention. Agreement on the fundamental issues provided sufficient glue to hold the diverse agencies together for several months.

Why did this particular group of organizations accept responsibility for assisting the MN employees when the city and the Chamber did not? First, dealing with unemployed persons was part of the mission of some organizations such as the Michigan Employment Security Commission (MESC). Some groups, such as the UAW, had a direct responsibility to the MN workers. Second, there was sufficient enthusiastic consensus among a critical mass of participants that fence straddlers may have been carried along by enthusiasm and pressures toward conformity. Third, and it should not be undervalued, many of the individuals in the group expressed a personal commitment to aid persons in need. The MESC, for example, took special actions largely because of the personal commitment of its local director. In other words, an explanation for the development of domain consensus lies simultaneously in individual, group, and organizational levels of analysis.

Domain consensus was not, however, unanimous. In particular, the Financial Committee never did develop agreement about what it should be doing, or that it should even exist. The members of the subcommittee who were officials in private banks and lending institutions never agreed that they had any responsibility to provide assistance to unemployed people. Their felt responsibilities seemed to be toward the other customers and stockholders of their institutions. As a consequence, the Financial Committee withered and died.

Finally, after the Council began to shift its goals away from a temporary MN Industries focus, to a continuing community focus, the Planning Committee was a successful mechanism for re-establishing domain consensus. The restructured Council lost no members, and did take a proactive stance when another plant shutdown occurred sometime after the Council reorganization.

Task 2a: Learn the Extent of Problems

One of the most successful aspects of the Council was its accurate identification of the types and extent of problems facing the unemployed MN people. Giving the Liaison Group responsibility for identifying worker problems, and simultaneously giving the group authority for directing the Council was consistent with Thompson's theory that authority centers upon those who simultaneously know of needs and of resources. A problem arose, however, when the Liaison Group had largely fulfilled its information-gathering activities, but still retained control of the Council.

Task 2b: Identify Available Resources

The "expanding network" model used to develop the Council seemed ideally suited to identify relevant resources. It allowed the experts in each of the five functional areas to identify the additional resources they needed to solve the problems identified by the Liaison Group. The Liaison Group,

especially the in-plant counselors, worked directly with each of the five functional groups to provide an accurate picture of the types of resources necessary to solve problems.

Task 3: Establish Linkages While Protecting
Participants from Threats to Their Boundaries

The Community Services Council helped form at least rudimentary linkages among various members of the Council. At its most elementary level, the Council provided a rationale for getting together and a forum for each of the various agencies to communicate with one another, including some agencies which were competitors. Formalizing the Council with a name, a permanent meeting place, written minutes, and a great deal of newspaper and television coverage gave it a sense of identity and importance.

In addition, the numerous face-to-face meetings gave personal linkages an opportunity to develop where only institutional linkages had existed in the past. Council members felt much more ready to get in contact with other Council members whom they had gotten to know personally. Of particular importance were the numerous personal contacts made between the in-plant counselors and the various helping agencies. Counselors could get rapid, accurate information regarding complex cases; they could act simultaneously with the client in their office and the agency on the phone; and they could notify agencies of impending referrals so work could begin on the case even before the client appeared at the agency.

Generally, participation in the Council did not produce threats to the boundaries of the participating organizations. The exception again was the Finance Committee. This group had both competitors (e.g., rival banks) and protagonists (e.g., the banks and the Credit Counseling Service [CCS]). As a result, the level of threat within the committee was high. Theory says that coalitions can be formed among competitors and protagonists if some type of domain consensus can be established. The banks, however, dropped out of the Council before any effective intervention could take place to establish domain consensus.

Task 4: Develop an Organizational Structure
While Carrying on Operations

In the synthetic organization described by Thompson (1967) there are severe time pressures to begin providing assistance. The system, therefore, must try to provide assistance at the same time it is developing its organizational structure. At Great River, however, time pressure was not so severe. The plant was phasing out operations slowly, and workers who already were laid off had up to one year of unemployment benefits. Consequently, the Council developed its structure and carried out its operations in two relatively distinct phases. After initially spending much time dealing with structural issues, the Council became operational relatively late in its existence.

Perhaps more benefits could have been provided to the unemployed work-ers if the Council had had more of a sense of urgency. In any future plant shutdowns in other communities, we predict that a Council could be de-veloped and become operational in far shorter time.

Task 5: Provide Channels of Communication to the Developing Organization

We have already described our various interventions to increase com-munications among the various agencies, and between the agencies and the MN unemployed. In general the development of communication links be-tween the in-plant counselors and the various agencies seemed more suc-cessful than those developed among the agencies. Communication among agencies often took place successfully within the actual meetings of the Council, but rarely took place outside that specific context. Generally, too, communication took place in dealing with specific client cases and problems. Programmatic issues were not often dealt with. Synergistic problem solving was rare.

The Community Competence of Great River

The irony of this experience is that Great River's community competence was increased because of the plant shutdown. Had there been no crisis, organizers would have faced difficult problems in identifying relevant re-sources, gaining commitment from community leaders, and developing co-operation among organizations. Given the crisis conditions, however, Thompson (1967) and Rice (1970) provided a workable theoretical frame-work needed for extending action research techniques into a strategy for interorganizational development. The development tasks necessary for establishing the CSC as a synthetic organization appear to have been ac-complished successfully. Already possessing comprehensive social services for its citizens, Great River could now utilize the Council to deal in a coordi-nated and proactive way with the special problems produced by sudden widespread unemployment.

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