

Recession-proofing HR – harsh times, and the survival of your employer value proposition (EVP) and reputation

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Survival and focus

It's a number of months now since the Chamber of Commerce predicted that the UK will enter a recession within the next year. Since then we have all learnt rather rapidly what a house of cards our financial systems are, as stocks continue to tumble and banks and governments fight for solvency. In this struggle for solvency in the face of limited credit and shrinking markets, it is even more crucial than normal for businesses to be fleet footed – switching from the search for competitive advantage and growth, to the austere battle for revenue assurance, cost containment and business survival.

It's beyond challenging being an HR professional at the moment. Current times would seem to require a shift from strategic HR business growth and future-proofing considerations like talent attraction, leadership development, team engagement and corporate culture, to the short-horizon cost base reduction motive, key to cash savings and business survival. This is only a partially sound strategy.

Speed and switch-ability

Not generally recognised for its fleet-footed 'switch-ability', the HR community is currently broadly split between two disciples – those generalists, ER and compensation and benefits professionals managing the short-term transactions of change, including business rationalisation projects, redundancies, severance payments, comp and bens cost reduction / rationalisation projects and so on, (and hence of immediate savings-generation value to the business), and those who's programmes, projects and initiatives are on hold, reduced in scope, or cut along with other non-essentials'. For this second group; the L&D professionals, the talent managers, the recruiters, the OD practitioners and so on, there is more to be concerned about.

Where to spend time now, where to focus medium-term, and where to maintain continuity of purpose? If you think too hard about these things at this time, you run the risk of being branded as too slow, or out of touch. Obviously these are short-sighted views, but nevertheless, are very likely to be held in jittery organisations.

Reputation will be key

A crucial area requiring medium to long-term focus by HR (collectively) during current times is business reputation both at the CSR and the employer branding levels - ensuring that the business arises in the future, from the current down market conditions, with its character intact, regardless of the tough choices it may need to make now to survive and set itself up for success in the next upswing. Focus on reputation *now* will have positive implications for relationships with key talent currently within the organisation, with future candidates, with customers, and the broader community.

Reputation is especially important in an era where disgruntled staff and those who have left the organisation are able to share their opinions with the world via the various online channels available to them. As a brief illustration, have a look for your company at <http://www.glassdoor.com/> or Google search your company for the 'unauthorized' versions of reviews on your organisation to see what I mean if you are not already actively doing this – obviously the bigger, and more high profile your organisation, the more likely that tough times will increase the amount of mixed-opinion traffic on the internet.

Organisations and HR teams would do well to encourage business leadership to consider and communicate any tough but required short-term decisions in terms of the organisation's values and / or Employer Value Proposition (EVP) if one is in place and part of the organisation's vocabulary, and, most importantly, to then act in accordance with these values, regardless of how tough any actions need to be.

All too often tough decisions lead to clumsy, all too hasty actions which go against everything that has been agreed. Tough needn't be clumsy or callous, even where time and cash is extremely limited. An EVP essentially promises staff that 'this organisation cares about my wellbeing, my rewards and my career', and an organisation which, in its actions, ignores its previous commitments in this respect is very likely to have its reputation tarnished, now and in the future.

Securing reputation now needn't cost much

Even where limited funds place a low ceiling on what organisations can do to honour their EVP during difficult times; a few small efforts can be beneficial to support the wellbeing, rewards and careers of all staff – either those who will ultimately lose their roles as a result of the current market difficulties, or those who will survive the downturn but are indirectly affected. The main thing is that it is difficult to predict at this point who will be directly affected, and who will be indirectly affected, so efforts in this area require joined-up thought to ensure contingencies. Some of these efforts by HR can include:

- **Coach HR colleagues** to recognise the raised importance of their business partnership role at this time of commercial difficulty. Effective business partnership is crucial in difficult times, and HR professionals need to be brave in challenging leadership behaviours and policy decisions that negatively impact business reputation. HR professionals also need to take the time to really understand their organisation from a business driver perspective to fulfil their business partnership role. These business drivers may or may not change as a result of current economic realities, but predictive knowledge is king in times of rapid change. This empowerment of HR needn't cost much, or anything,
- **Coach managers** to recognise the importance of upholding the organisation's values and EVP to ensure that business reputation is maintained, or possibly even strengthened during difficult times. This needn't cost much, or anything either, but does require a step-up in *HR's bravery, its willingness to challenge, and its willingness to shape leadership behaviours*. Nevertheless, there is more to lose by not having a voice and not making a contribution to the leadership of the organisation during difficult times,
- **Elicit regular feedback from across the staff base using a sensible feedback mechanism**, both to identify developing engagement issues for contingent management, and to create a consistent basis for regular, thematic feedback. Identifying and communicating internal exemplars and hence internal benchmarks is key. Staff surveys, feedback mechanisms and focus groups give people voice at a time where people are worried, and it is crucial to reduce information vacuums,
- **Hold regular career reviews and career development centres** to show an interest in individual careers, and to develop contingencies for both the business and the individual. Showing a strong commitment to the development of individual marketability during these difficult times is crucial to staff engagement and trust. At its most refined, this process can give people confidence that the organisation cares about their future career leverage, *whether their future is inside or outside the organisation*. If managed thoughtfully, this can be a particularly powerful engine for staff engagement and performance. Once again, this needn't cost a fortune, but does require a well coordinated and well communicated effort,
- **Make a tangible commitment to support the career transition needs of those whose roles no longer fit the organisation** via the provision of professional outplacement support. As author and blogger, Bob Sutton says, *'If we part, we will do all we can to ensure that we part in friendship'*. Again, this commitment needn't cost a huge amount. Whilst full outplacement programmes can often cost a few thousand Pounds per person; a high level of professional external career transition support comprising online and telephone-based resources can be purchased for under £100 per person these days. Not a major investment, but if communicated well, its perceived value can be very high, both to leavers and 'survivors'.

Reputation today becomes competitive advantage in the future

Assuming that redundancies will form a core component of the business landscape during the coming period; it could be argued that this is a key area for gaining '*reputation advantage*' by demonstrating a real interest in the wellbeing and future of laid-off staff who could go on to become valuable '*alumni*' in the future. These *alumni* will either add positively to your organisation's message to its various stakeholders, or will add negative noise (whether justified or not), which impacts future reputation.

Laid off staff represent a key community for ensuring future reputation, assuming that the organisation will remain commercially viable following the current economic situation; continuing to compete in the future for market share, ongoing talent needs, and so on.

To take the previous point further; where organisations are in a position to invest comprehensively in the transition needs of staff who are expected to be directly affected by rationalisation in the coming months; early communication of a support process, and the provision of valuable support which supports affected staff into new roles (either inside or outside the organisation), portfolio careers, self employment or economically active early retirement will greatly enhance business reputation – both now and in the future, *where reputation now becomes an advantage later*.

To reference Bob Sutton again in his summary of EVPs key to business reputation and business competitiveness; 'If we part, we will provide more assistance in helping you find your next job than any of our other competitors.'

Current economic realities present a real opportunity for organisations to practically shift their employer brand in the minds of the broader community, in the minds of customers, in the minds of staff, in the minds of current candidates (*where these are still being elicited*) and in the minds of future candidates.

Equally important is the need to positively position your organisation's employer brand in the minds of those who may leave the organisation now given current economic difficulties, but who may, (as valuable alumni), become important shapers of the organisation's future reputation and success, either as opinion shapers about your organisation's reputation, or should they one day return to the organisation as reinstated employees, partners or customers.



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