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recession-proofing HR

There is no question that the last year has been a defining one for business in New Zealand. We are facing some of the toughest challenges we have faced for many years. That means tough decisions around business direction that may not be the most popular for staff at all levels.

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 in the austere battle for revenue assurance, cost containment and business survival.

It's beyond challenging being an HR professional at the moment. Current times 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 switchability

The HR community is currently broadly split between the short-term transactions of change, including business rationalisation projects, redundancies, severance payments, compensation and benefits cost reduction / rationalisation projects and so on, (and hence of immediate savings-generation value to the burins), whilst placing longer-term programmes, projects and initiatives on hold, reducing them in scope, or cutting them along with other non essentials.

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 the key

A crucial area requiring medium to long-term focus by HR (collectively) during current times is business reputation both at the CSR (Corporate Social Responsibility) 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; especially 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.

Organisations and HR teams will 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), and most importantly, to then act in accordance with these values, regardless of how tough any actions need to be.

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. Some of these efforts can include:

Coach HR colleagues to recognise the 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.

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.

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. Staff surveys, feedback mechanisms and focus groups give people voice at a time when 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.

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 typically equate to one month's salary per person; a high level of professional external career transition support comprising online and telephone-based resources can be provided as a more cost-effective mechanism and delivery via group workshops. 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 can go on to become a 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. ■

Written in collaboration with DONINGTON'S UK Partner HDA Associates, members of CNI (CareerNet International)

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