

# Invest in Your People: Invest in Your Future

## Human Resources in the Current Economy

In today's challenging economy, most companies are being forced to make tough decisions. All too often these decisions include letting people go. But what happens to the people left behind? How do leaders keep them motivated and productive?

PeopleThink, a coaching and consulting firm that specializes in organizational development, recently interviewed human resources professionals across a variety of industries, including hi-tech, biotech, professional services, architecture, non-profit, and healthcare – to discuss these and other issues.

Despite differences in their core businesses, when it comes to the people component, there are a number of common themes that emerge: retaining top talent, having the right people in the right positions, ensuring that there is sufficient "bench strength" for the next line of leadership. And they all agree that Human Resources should be viewed as a strategic partner with organizational leadership to bring these things about.

With regard to the economy, all those interviewed agreed that companies cannot afford to become complacent and think that retained employees will be "happy just to have a

job." When the economy turns around, those employees – most likely retained because of their particular skills and knowledge – will take their skills and knowledge elsewhere.

*"We need to continue to invest in the people infrastructure," said the HR Manager from hi-tech. "Our employees need to have development plans in place so they can see there is a future with the organization."*

Her counterpart at a biotech firm agreed. *"We have to put the needs and future of our organization first and then plan backwards: provide development and promotion opportunities; recruit the right talent."* A professional services HR Manager said that companies need to *"build a pipeline of talent with specific factors that map to the culture of the organization."*

And from another HR Manager: *"Build the talent road map. What will the organization's people-needs be one to three years out? What competencies? What level of employees? Build the talent plan to move, grow and flex with the organization's business needs."*

Unfortunately, training budgets and development programs are frequent targets of cost cutting plans. This is short sighted.

Companies must look for creative ways to provide challenge and growth. Build succession plans. Leverage internal mindshare for mentoring and cross-training. Take the time to evaluate whether employees are in the right job. If reorganization is necessary, give employees

some say in what they do next. Seek out ideas from employees and encourage them to be part of the solution. "In this economic time it is critical we have the right people with the right talent in place doing the work to move the business forward," said the HR Manager of an architectural firm.

The non-profit HR Manager added that it's also important to maintain company culture. "One of the main things I hear on a regular basis is that people want to work here because of the culture and how employees are treated. It comes from the top. How we treat people is how we keep our people."

It's also important that leaders recognize the broader impact the economy has on employees. "Everyone has been impacted by the business implosion," said the healthcare HR Manager, "whether it is a spouse, a partner, a best friend. How are those external factors impacting our employees? What is the level of focus on the productivity of our organization?"

According to the biotech HR Manager, having a strong succession plan in place is essential. "Each leader of the organization needs to have a successor they are training and preparing for their next role. Leadership can be viewed as a second-tier component of the business; however, what we know is that without strong leadership, the organization will not be able to sustain its growth." The professional services HR manager said it's also important that "employees are clear about how to move up within the organization, and what training and development has to occur in order to do so."

"Communication will be key," according to the HR Manager from the healthcare industry. "In every problem there is opportunity. This is a time to refocus on our employees and be certain the organization is focusing on the right things."

#### **ABOUT THE AUTHOR**

Karen Colligan is the founder and principal of PeopleThink™ and author of the popular **The Great Real Guide™**. Karen has a BS in Organizational Behavior from the University of San Francisco, and is a graduate of the Coach Training Program at Coach University.

## **The message to organizations is loud & clear:**

- ◊ Pay close attention to those employees you want to keep long-term. Let them know they are valued, and that they are a critical component to the business moving forward.
- ◊ Find creative ways to continue to develop and challenge employees. Develop knowledge sharing and cross training programs.
- ◊ Leadership is key to sustaining growth. Without strong leadership your organization will not be able to grow and prosper.
- ◊ Organizations must state loud and clear that the people-component of the business is their life-blood. Don't take employees for granted. When the phone starts ringing again, you want those employees to stay in your organization. The replacement cost of an employee is 1.5 times annual salary. This directly impacts the bottom line.
- ◊ It's all about the culture. Don't become complacent. Your employees are watching very closely to see how you respond to this downturn. Do you value them in good times and bad times?
- ◊ It's the old adage...treat your employees the way you want to be treated. It will pay off in leaps and bounds in the future