

People are at the heart of business success

Building strong foundations: how to get more value from the right people in volatile times

Facing volatile times can be frightening. Uncertainty abounds and cost cutting often takes centre stage. As leaders navigate and try to find solutions in today's challenging business environment, looking to the future can add to the already daunting task. Projections show that in six years time, only 20% of the population will have the right skills to perform 60% of the jobs available. Now, imagine the risks of cutting talent today.



The volatility we're currently facing can sometimes cause leaders to lose sight of what the foundations of success are. Talent management is an important foundation at any organization at the best of times. During volatile times, companies that do it effectively can emerge in better shape than ever. Here you'll find a few practical and proven tips on doing more with less.

In an economic slowdown, the HR department is typically the first stop for an executive team looking for a quick way to cut costs. And today's economic downturn is no exception. Companies across Canada and around the world continue to make major staffing cuts in order to weather the storm. But downsizing alone isn't a strategy. To avoid cutting the wrong people and inhibiting current and future growth, any short-term actions should be closely aligned with the company's long-term talent strategy and overall business objectives.

With a steady focus on core business strategies, and a keen understanding of the company's current resources and future needs, HR leaders can play a central role in keeping the business lean and competitive through difficult times.

Measure twice, cut once

Not only are across-the-board staffing cuts painful, they're often counterproductive. That's because they tend to sweep out the good with the bad, a problem that becomes particularly acute when it comes time to capitalize on the recovery. During a downturn, it can be easy to lose sight of what the business needs to function properly – consider this as cuts are being made. Your strategy for making staffing cuts should carefully balance short- and long-term business needs with a detailed view of your talent environment.

Be transparent

When an economic crisis hits, employees get jittery. And when they don't know what's going on, they assume the worst. This can be a tremendous drag on productivity at a time when you need people to be more productive than ever. It can also lead some of your best talent who take control of their own destiny and jump ship. If your people feel that you're being honest with them – even if you're delivering bad news – they're more likely to be loyal and productive.

Know who's important

Even when unemployment rates are higher than normal, critical talent is always in short supply. In volatile times, organizations need critical talent more than ever. Trouble is, it can be hard to know which people have the biggest impact on your company. Develop a map of critical talent – for example, individuals with valuable institutional knowledge, and who drive more value or are key influencers within the organization. Make sure to develop strategies that will work to keep these critical, value driving people on board. At the same time, recognize that volatility may provide a perfect opportunity to trim some of your less productive staff.

Take your cues from the business

Business strategies often shift in a downturn, so there's no more important time for HR leaders to have their finger on the pulse of the business. Talent management strategies should always be intertwined with business strategy, but at times like these, it becomes even more important. Every major staffing decision should pass through the filter of corporate strategy: **What's important to the business today, and how are we supporting those priorities?** This is about creating value where it matters most to the organization. From there, decisions become much clearer.

Know where you're going

HR departments can get overwhelmed during a downturn, making it easy to lose sight of the big picture. Sooner or later the economy will bounce back. When it does, will your talent management strategy be ready to support the company's renewed growth objectives, or will you be caught flat-footed? Don't stop recruiting – now can be a good time to bring some game changers on board that can help you get through the volatility and better prepare you for the future. The decisions you make today have a direct impact on the future. Make sure you prepare for the upturn while making decisions to manage a downturn.

This is a tough time to be an executive; but it's also a tremendous opportunity. In particular, HR has a chance to get closer to the business and play an integral role as a true strategic business partner. A skilled HR team is an invaluable resource during a downturn, helping the company tackle its immediate challenges while setting the stage for future success. We hope these ideas help your company survive and thrive during the difficult times ahead.

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Managing in volatile times

Hedging your bets

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Ten ideas for squeezing more working capital from your supply chain

See the bigger picture

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More from less

Building strong business foundations: how CIOs can deliver more value in a volatile economic environment

People at the heart of business success

How to get more value from the right people in volatile times

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