



# HR Leaders: Tips For Steering Your Organization Through Difficult Economic Times

**SHRM Breakfast  
May 13,2009**

**Cindy Phillips, Ph.D.**

**[cindy@Leadership4change.com](mailto:cindy@Leadership4change.com)**

**717-572-6755**

# New “Normal”

Employees frequently ask:

*Will things go back to “normal” when this is all over?*

**I hope not!**

# Opportunity?

**Rahm Emanuel – “You never want a serious crisis to go to waste...This crisis provides an opportunity to do things you could not do before”**

# Back to the Basics

## *Four Must-Do Acts:*

1. Clarity of Focus
2. Communication and Education<sup>3</sup>
3. Disciplined Execution
4. Sustaining Engagement and Morale

# Clarity of Focus

# Tip #1 – Keep it Simple

- It's easy to react to this downturn with 50 new initiatives to save money, etc.
- Employees are not thinking as clearly right now...so
  - Simplify
  - Reduce
  - Focus
  - Do a few things right!

# Tip # 2 – Act Short-Term But Think Long-Term

- Across the board (10%) cuts make no sense – we need to be more strategic
  - Why would we cut all training when we have new products or systems that are critical to revenue generation?
- A complete hiring freeze saves money, but this is an unprecedented market for talent-why would we pass on the “right” person?
  - We should be asking - what skills will we need over next 1-3 years?

# Tip # 3 – Don't Forget the Customer

- As staffing levels fall – it's easy to let service drop along with them.
  - Ensure our customer facing / servicing departments are the last to suffer.
  - Ensure they realize the critical role they play in the organization's future!
  - Keep a watchful eye on customer-related measurements to gauge how the cost cutting may or may not be impacting service.

# **Communication & Education**

# Tip # 4 – Nothing Less than Honesty Will Do

- Employees need to feel like their leaders are competent, credible and trustworthy.
- Share the tough stuff and what we are doing to mitigate it (educate)
- Be transparent with successes and mistakes – take ownership where necessary
- Trust that is eroded now will be difficult (if not impossible) to regain when times improve

# Tip # 5 – Make No Promises

- Employees want assurances, but we must be careful about what we promise!
- We can share and reinforce our values – it is more important now than ever
- Talk in terms of contingencies or possible scenarios, very few things are black or white right now

# Tip # 6 – Expect Mis-Communication

- **Crisis** and **stress** impact our listening skills, and **fear** clouds the best intentions
- Messaging must be carefully prepared, managed, repeated, and confirmed that it is getting through as intended
- Face-face, two-way communication is the only way we uncover confusion!

# Tip # 7 - Uncover Mixed Messages

- This time is difficult as it is- don't make it worse by punishing the right behavior
  - Asking Supervisors to “do more with less” requires higher employee performance. What message do you send to a supervisor who terminates a low performer by not allowing a backfill?

# Table Discussions

- What are you doing to increase communications right now?
- What mixed messages or misunderstandings have you uncovered recently?

# **Disciplined Execution**

# Tip # 8 - Leaders Must Lead

- Supervisors are **more critical now** - we need Leadership!
- Inform them **ahead** of employees - they are your messengers and need some time to absorb the message too!
- Push them to communicate (CEOs can not carry the whole load)
- They must be **change-agents** – that means they “go first”

# Tip # 9 – Dust Off the Performance Management Binder

- Clarify new **expectations**
- Revise job descriptions
- **Continually** communicate & coach
- Allow for **learning**, but hold people **accountable**
- Absenteeism may increase - be prepared!
- **Why** do we continue to tolerate low performers?

# Tip # 10 - Creative Resource Management

- Have we outsourced things that could be brought back in house?
- Can we make something we buy?
- Are we using “light duty” people wisely?
- Part-time may be better than layoffs
- Shifts changes? 4 Days vs. 5 Days?
- Re-train/ Re-deploy – it could be a key to future flexibility

# Tip # 11 - Measurement Keeps Us Focused

- Do we have a Dashboard or Balanced Scorecard? What revisions are needed?
- How do we know if our customers are satisfied?
- How do we know if our suppliers are keeping up?
- What can we measure that helps all employees understand where to improve?

# **Sustaining Engagement and Morale**

# Tip # 12 - Employees Should Feel Like a Part of the **Solution** Not the Problem

- It's helpless feeling like an “expense”
- Get people involved in cost saving or revenue generation initiatives
- Educate employees to prepare them for sound decisions or to target their ideas
- When Leaders issue the “challenge” – employees will often meet it!

# Tip # 13 - Learning & Development Can Not Stop

- Training budgets were cut, but **Development** can not stop!
- Bench Strength is going to be critical to emerging from this downturn
- Retention of top talent is still important – people want to stay marketable
- Time for cross-training, in-house programs, using internal SMEs to teach
- Mentoring programs are cheap way to do knowledge transfer

# Tip # 14 – Morale Must be Managed

- We should not cut every perk/benefit
- Do things for little \$ - involve family
- Basic appreciation and recognition is free!
- Days off, flexibility, telework can be seen as a positive (voluntary)
- Stress related absences hurt a lean staff
  - EAP programs are a more critical than ever (or resources/information)
- Comic relief is needed to maintain sanity

# Q&A

- What else have you learned through this?





# Thanks & Good Luck!

Cindy Phillips, Ph.D.

[cindy@Leadership4Change.com](mailto:cindy@Leadership4Change.com)

717-572-6755