

FEAST OR FAMINE

Despite tough times, businesses can ill-afford to lose key talent if they wish to maintain a competitive advantage. New and innovative practices are needed to retain staff through economic turbulence, says Denise Hartley-Wilkins.

Not so long ago the cry was of skills shortages and the war for talent. Now employers are considering the future of key talent in the face of economic downturn—talent they can ill afford to lose if they are to maintain a competitive advantage for the long term.

For many businesses, the changing economic environment requires a new map of working. If they can adapt to the downturn and recognise and capitalise on emerging opportunities, they will move into a stronger market well-positioned for the future. A key factor is how businesses leverage their people capability and maintain a competitive edge through managing and engaging their talent. This means a focus on workforce planning, performance and development.

Shift in focus

Recent UK research has revealed a shift in focus from recruitment to engaging, motivating, retaining and fully using the skills of their workforce. This has resulted in employers adopting innovative and positive people management practices in a bid to hold onto key talent.

The research suggests that savvy employers recognise that the quality of their staff is the one thing that can differentiate their organisation, and ensure that they not only survive in the short term but thrive in the long term. Letting staff go is a short-term solution—it takes a minimum six months to bring a new employee up to speed.

Key findings of the research were:

- 48 percent of employers surveyed revealed that talent management remained a priority with a greater focus on retention of good performers.
- Recruitment freezes have resulted in a stronger internal focus on developing existing people capability, offering opportunities to people who may not be a 'perfect match' but who have transferable skills and demonstrate the right behaviours to be successful in a new role.
- 55 percent of respondents are developing more staff in-house, with a distinction between essential and 'nice to have' skills development. Many saw continued investment in valued staff as a long-term growth strategy and key to achieving future sustainability.
- Changes to reward strategies include restricted pay increases and bonus reductions or freezes. Mindful of the impact on retention on work performance there is more focus on rewarding top performers only, along with a move to performance-related pay. A spin-off of it that this sends out a strong signal to staff about performance priorities.
- Businesses that don't proactively manage their talent run the risk of good staff walking and being picked up by savvy employers with a

view to the future. They are then left with mediocre and poor performing staff.

The options

So what are the options open to a business? Firstly, this is no time for carrying mediocre performance. You need to manage poor performers—either turning them around or exiting them out—and hang onto good performers through a focus on engaging and motivating them.

Positive leadership and management behaviours and knowing what engages your staff are also crucial.

Providing a clear and inspiring vision—along with a picture of the road to be travelled—is central to winning hearts and minds for the journey ahead. A greater emphasis on communication and open discussion is crucial. Be honest and transparent and frequently communicate what you are doing and why.

This will build understanding amongst staff of the state of the business and the role they can play. What's more, involving your staff in problems and solutions may open the floor to innovative ideas that would otherwise have been lost—and it helps build high levels of engagement with the flow-on benefit of increased retention.

Now is the time to present a positive, decisive and upbeat mood amongst your staff and instill a sense of confidence and certainty. Try and leave business anxiety behind your office door—uncertainty is the greatest

enemy. Gallup research revealed that employees look to their leaders for stability, hope, trust and compassion.

Look, too, at new ways of working, such as reduced hours, less overtime, more part-time roles, compressed hours (working contracted hours over fewer days to save on overheads) and working from home.

Given the option, staff are generally prepared to consider new ways of working if it means keeping their jobs. Note, however, that you should always seek legal advice and support before embarking on any changes to employee agreements.

At one firm, bosses put forward the options of either a reduced working week or a three-month sabbatical on 30 percent pay as an alternative to redundancy. The focus here was on keeping staff—and the staff overwhelmingly supported the proposal. For some, it gave them the work/life balance they had previously been unable to negotiate.

It is important to try and look positively on the current economic climate and the opportunities it presents for doing things differently. One thing's for sure, it is the 'burning platform' that will spawn new and innovative people management practices that will shape the future workplace.

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