

Leading Talent in a Crisis Economy

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Organizations that manage their talent well in a crisis economy have a better chance of flourishing—and emerging as industry leaders. Those that don't are likely to fade away.

Taking a thoughtful, reasoned, strategic approach to talent during times of crisis can stabilize your organization. As leaders, we must develop a strategy and communicate the vision. We must ensure that the organization's employees—or "talent"—support the new way of doing business.

So how can you best lead your talent in this crisis economy? How can you *groom* and *keep* the right talent? Your organization can thrive in turbulent times by applying the ten precepts below.

- 1. We will take an honest look in the mirror, and then project our vision
- 2. We will focus on the best fit
- 3. We will know and develop our key players
- 4. We will build a strong bench of leaders
- 5. We will take advantage of local partnerships
- 6. We will make informed decisions about people
- 7. We will let the valuable know they are valued
- 8. We will think transformation, not transactions
- 9. We will focus on the customer
- 10. We will apply strategy to talent decisions

Now, let's look at each of these precepts in detail.

1. We will take an honest look in the mirror, and then project our vision

Understanding where you have been and learning from those experiences will help you project (1) a realistic vision and (2) a new business approach. In these challenging times, leaders must examine all aspects of the organization and track how key contributors are responding to the crisis. Wise leaders reflect on the past, learn from it, envision a new organization, then project optimism and confidence about the future. Such actions generate and drive hope for the entire team.

2. We will focus on the best fit

Traditionally, organizations have focused on finding the best and brightest talent, only to sometimes have them flounder because they didn't fit in. Leadership experts agree that the reason 50% of new executives fail is poor culture fit, so it is important to find people who are the right fit. Today, that means meshing with an organization's new reality or new way of doing business.

How do you help ensure that employees fit your organization? First, tell them what their new role is. Communicate to prospective employees, new hires, and incumbent employees the benefits of your new way of doing business, as well as the "warts" associated with the roles. Help job seekers quickly move along to the next organization if they can't, or won't, support your new mission. Assess for fit when filling positions or make a special effort to retain employees whose attributes and abilities match the demands of the role. Research shows that job fit is associated with higher satisfaction, lower turnover, and stronger job performance. Thus, it is well worth the investment.

3. We will know and develop our key players

Your "A" players are mission critical. Without them, your organization can't navigate the turmoil and will lose its competitive advantage. Your A players own the key customer relationships, are the sources of innovation, and hold irreplaceable intellectual property in their heads. Continue to invest in them and help them develop their skills.

In this economy, organizations cannot afford to develop employees if there is not a direct and measurable value. To limit your total costs, focus your development dollars on your A team and customize the training and embed it in the work context through coaching. Only then will you yield a nice return on investment. Research shows that the effectiveness of management training is enhanced by 50% when even a minimal level of personal executive coaching accompanies it. Coaching guides participants on how to apply newly learned skills to day-to-day challenges, and can improve on-the-job performance by 20%.

4. We will build a strong bench of leaders

Leaders are the people who have a disproportionate influence on the business, influencing (1) the products and services offered, (2) competitive positioning, and (3) the employees who run the business. They also directly contribute to business decisions and influence others.

Surveys of CEOs or senior executives say here is a leadership shortage. Can the survey results still be true with layoffs galore? Yes, it can. While the shortage may not be in raw numbers, it most certainly exists when it comes to finding the *right* leaders. Organizations take a chance when they don't keep the pipeline of future leaders filled. Your high-potential leaders are your future. If you have a high-potential development program in place, keep it going even if you have to scale it back.

You can take other actions to keep the leadership pipeline flowing. One of the most basic practices in building pools of leadership talent is to systematically assess leadership talent. Managers looking at subordinates to assume leadership positions can benefit from objective assessment of their skills.

5. We will take advantage of local partnerships

Successful organizations have partnerships in their local communities with government agencies and educational institutions. They create partnerships with community colleges and economic development councils to create a "win-win" for all parties. One recent client used this approach to find qualified employees who fit their needs and their culture. The community college improved enrollment and placement rates. And the economic development council was able to use the model when meeting with organizations that were considering a relocation or startup in their area.

6. We will make informed decisions about people

If downsizing is needed, remember that downsizing decisions are most effective when leaders are armed with a clear picture of current and future talent needs via a fact-based assessment of talent levels. Organizations must understand exactly how, and to what degree, each unit adds value to the enterprise.

To succeed in evaluating talent, most organizations today are wisely using a scalpel rather than an axe to downsize. But they need to ask, "Is the scalpel guided by clear-eyed, fair, and accurate assessments of talent?"

Existing performance appraisals are typically a good starting point, but they can be biased, and therefore, inadequate for making these decisions. Other methods include interviews, competency assessments, evaluations of potential, and workforce planning scenario analyses. These methods also mitigate the likelihood of costly post-downsizing litigation.

7. We will let the valuable know they are valued

Most people don't want to be where they aren't wanted. With today's organizations often facing large-scale change such as mergers, acquisitions, and divestitures, clients often ask how to keep good employees engaged and prevent them from leaving. While there's no "one size fits all" solution, organizations can take some practical steps to increase the odds of retaining key employees in a crisis economy. Some may be surprised by the degree to which these suggestions hinge on front-line managers.

A crisis economy is the perfect time to engage in straight talk with front-line management. All too often, even well-meaning organizations engage only senior management in deal-related dialogue. Organizations that are successful in retaining employees and keeping them engaged during a transition period are those who invest the most time and energy in equipping and engaging front-line managers in carrying the messages about the change in a meaningful and relevant way.

8. We will think transformation, not transactions

In today's economic climate, organizational transformations will increase as employers seek to cut costs, increase access to capital, and streamline products and services. As a result, employees at all levels will be affected greatly based on the large-scale changes in the organizational structure and changes in all individual roles.

Organizations must dedicate the proper resources and experts to help with changes in leadership, job redesign, staffing levels, and crisis communication during transformations. The biggest mistake companies can make is poor and shortsighted planning. If there is a need to restructure business units, then planning should take place before broad-based layoffs occur.

Large-scale changes come with a need for management to (1) clearly and regularly communicate changes to employees, (2) identify key risks such as losing outstanding employees and leaders who the organization wishes to retain, and (3) plan to address and minimize risks.

Once strategy drives the newly transformed organization, the issue returns to finding the right talent for the new configuration.

9. We will focus on the customer

If the client is central to the focus of the transformed organization, how should an organization go about creating a culture that places clients first? Such a culture must identify, train, motivate, and reward front-line employees who interact regularly with customers.

One creative way that leading service firms are enhancing customer satisfaction is by infusing "perspective taking" throughout their core service strategy. Perspective taking is the ability to feel what the customer feels and genuinely express empathy to convey that understanding. What better way to engender customer loyalty? The organizations that will survive this turmoil and thrive as the economy grows are those that strengthen their customer focus.

Given that now is the time when customers are won or lost forever, it makes sense to continue with relatively small investments that build your service culture. In today's economy, customer service jobs turn over slowly due a lack of alternate employment. This slow turnover provides an opportunity to invest in a more stable workforce. Leaders should ensure that they monitor quality, as doing so can enhance customer service ratings by 11% or more. Leaders must enhance the ability of supervisors to coach front-line service representatives. Your customers will never forget that you made their experience your priority – especially in tough times.

10. We will apply strategy to talent decisions

Certainly few, if any, organizations are capable of working on all of the precepts at once. But every organization can begin by focusing strategically on what it needs to achieve. A key element in both that strategy and the tactical plan is to allocate resources to develop an organizational transformation game plan. So, start with a look at your resources, how they can be marshaled to take on the commitments one by one or, better, a few at a time. Transforming how you view your talent needs and commitments is the first step to transforming the overall organization.

With the right people and processes in place, the benefits of meeting your new vision with outstanding talent are virtually limitless.

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