

2009 - CREDIT CRUNCH OR GLOBAL GROWTH

The past year has shifted the landscape for most organisations. For different reasons, the coming years may be even more influential. Pre-recession structures, skills and processes may now be broken, irrelevant or even damaging and the way companies review them in the coming months will influence how well they perform in the future. So what should HR be thinking about in terms of Organisation Design, Recruitment & Selection and Development to get this right?

Organisation Design

Many organisations will have recently reduced numbers, or changed structures, roles, or responsibilities. Costs may have been taken out, but structures may now need reviewing to position for the long term or deliver growth. Some questions to consider are:

- Designed for what?: How well does the current design work for an extended downturn / rapid growth? How will the organisation change in the next 18 months and where will this cause the greatest pinch points?
- Process efficiency: How clear and efficient are the business processes? Are new roles and responsibilities clear, are there new bottlenecks or duplicated areas that are no longer required?
- Decision making: Are structures and roles configured to enable or restrict decision making? Is the criteria for decision making cost or growth based / is this still appropriate?
- Talent Management: Are the best people in roles that make best use of their talents? Have recent changes alienated any good people or put them at risk of leaving? What skills and experiences will be needed in the future / can opportunities be created to develop these now?

Recruitment & Selection

This area is often neglected in a downturn, but remains one of the most critical areas to get right. As the tide turns and organisations start to recruit again, any deficiencies in Recruitment and Selection processes will impact far into the future and will be costly to remedy. Key areas to consider are therefore:

- **Job specification:** If the company has changed, then so should the job specification. You should get crystal clear on what the role is now AND how it will evolve in the future. This may involve different attitudes and behaviours as well as new core responsibilities, skills and experiences.
- **Selection process design:** Research consistently shows that the closer a selection process is aligned to the role, the better it predicts performance in it. Selection processes should take account of the fact that roles may evolve over the coming months / years and make sure the relevant new areas are appropriately tested.
- **Recruit to retain.** Some good people may be available cheaply in the current climate but they may not stay when things pick up. Make sure good people are still given headroom to develop in roles and that career paths for them are visible and supported. Don't undervalue good people when recruiting or they may go to a better offer when it comes up later.
- **Seek out and attract the best.** Don't wait until you have a vacancy to scan the market. Good people may well be available now and companies have the opportunity to build relationships that will save recruitment fees in the future. Also, review the company employer brand to make sure it is attractive and sells the potential rather than the past.

Development

As with recruitment, budget cuts often heavily reduce activity in this area in a downturn. In a recent full page broadsheet advertisement the UK Commission for Employment and Skills cited evidence that "firms that don't train are 2.5 times more likely to fail than those who do". Citing their experience as business leaders of large organisations such as BT, M&S, Standard Chartered, the TUC and the CBI they state: "in previous downturns, it was the businesses that did invest in their staff which saw the most dynamic recovery". So points to consider here are:

- **What to invest in:** As already discussed, previous programmes may be at best lacking in some areas or at worst inappropriate for the current and future environments. Programmes should be reviewed in the light of new business priorities and focused towards the most critical people and topics.



- Experience based development: The current climate provides a great learning opportunity for managers. Consider how roles, secondments or mentoring could be used to make the most of this, using resources already available within the company.
- Review career paths. The new landscape may mean that opportunities to develop key career skills may now have been lost or that different skills or experiences are / will be required. Clear signposting for both HR and individuals will be important to reconnect career paths
- Measuring effectiveness. Now is an appropriate time to review how learning and development effectiveness is measured. Make sure it goes beyond event-based measurement to allow you to track its relevance and performance as the business cycle starts to change.

Whichever direction the economy takes in 2009, HR has an opportunity to get on the front foot in shaping the organisation. As the UK Commission for Employment and Skills emphasised, stopping investment should not be an option – focusing it towards future needs should be.

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