



## **The Positive Impact of the Recession**

### **Paula Santonocito**

*The worst recession since the Great Depression has certainly tested the mettle of many organizations. Be that as it may, adversity often breeds strength, as well as best HR practices.*

#### **Increased employee communication**

One best practice to emerge is greater emphasis on employee communication.

"The more proactive companies are the ones using the recession to their advantage, as a time to connect with the workforce," says Robin Throckmorton, president of Strategic HR Inc., a human resources consulting firm.

It's a good time to have workers realize you really care about them, she tells *HRWire*.

Throckmorton estimates that between 25 and 40 percent of companies have increased employee communication during the recession. Even so, she finds that among all companies there is a tendency to stop communication when the news is ugly or bad.

According to Throckmorton, this is a mistake. Employees appreciate news, even when it's not so favorable, she says. And, as important, they appreciate when the company involves them in the solution.

"The more often you communicate the better. We have never been told by employees that their organization communicates too much," Throckmorton says.

#### **Better alignment of the workforce**

Another area of focus has been human resources, as in available employees. Downsizing has resulted in the need to assess the workplace and the workforce.

"A lot more employers are asking us to review their job descriptions to make sure they're current," Throckmorton tells *HRWire*. Organizations want to make sure jobs reflect current roles and responsibilities.

Once employers take this step, they then look at whether the right people are in the jobs.

Both are equally important, according to Throckmorton. "You may have the wrong people in jobs or skills may have changed," she says.

Some of these changes may be related to the recession, where others might not. With technology changing so rapidly, there may be a skills gap, Throckmorton says.

Regardless of the reason for a skills gap, she recommends that employers focus on retraining and retaining A- and B-level employees. "It's much cheaper and more profitable for a company to retain the intellectual capital of a company," she tells *HRWire*.

In certain instances, retention might require placing employees in new roles. Still, even these moves are generally less costly than turnover.

A lot of this kind of streamlining has already taken place, Throckmorton finds. Overall, organizations have as a result become more productive, partly out of necessity.

Going forward, however, the question will be whether organizations have enough people; that is, whether they are right-sized for the economic rebound. Companies will therefore need to continue to evaluate costs, including human costs, Throckmorton says.

### **HR gets financially fit**

Obviously, the recession has affected the way organizations look at costs, and in this regard it has allowed the HR function to be viewed differently. In fact, the recession has provided HR with an opportunity to make a noticeable bottom-line contribution.

Throckmorton expects this focus to be ongoing. "I think HR continues to try and find ways to cut costs and to begin to be more of a profit center," she says.

As an example, Throckmorton points to how HR looks at health care costs, indicating the emphasis is not only on benefits expense. HR also researches and implements wellness and disease management programs to help control health care expense.

To be sure, a cost-control mindset prevails across the whole HR function. What's more, as part of the focus, HR continues to try and measure what it does.

### **Increased use of technology**

Figuring heavily into HR operations these days is technology. The recession has found HR using technology more, again often with an eye toward cost savings.

Throckmorton provides the example of social media, noting how online networking is a less costly method of employee recruitment than job advertising. She also points to how a lot more organizations are web-based from the standpoint of communications, and how going paperless results in savings.

A combination of cost and necessity has led HR to rely on technology more.

"Because HR gets the rap of being a cost center, HR continues trying to show savings; savings and value added," Throckmorton says. The necessity part comes in because HR, like other departments, typically has fewer staff members.

### **The top concern for recovery**

And it is fewer staff members, in all departments, that will drive best practices as employers get ready for recovery. In other words, because organizations are thinly staffed, retention becomes more critical.

Indeed, retention is an area HR will have no choice but to focus on going forward. With this in mind, Throckmorton says it's important for HR to talk to employees, and respond to employees' needs.

Arguably, this is advisable in any environment, but now especially it carries more weight. The main reason is the workplace has changed.

Ironically, even as a number of best practices have come out of the recession, Throckmorton points out that some best practices have gone by the wayside. Organization pay cuts and furloughs, among other measures, have left employees somewhat disengaged, she tells *HRWire*.

"You need to make sure employees are engaged and empowered," Throckmorton says. If they aren't, they will seek satisfaction elsewhere.

Think not? Consider that Salary.com's annual Employee Satisfaction and Retention Survey, released in February, shows 65 percent of employees admit to looking for a new job. And, as Throckmorton points out, this survey was released back in February. As opportunities become more available, job seeking will likely increase.

HR should focus on retention, but human resource professionals should get managers actively involved in the process as well. "Managers are a key reason employees leave," Throckmorton says.

Where managers may have taken a "if you're not happy, there's the door" stance during the recession, that attitude will not keep employees in place once there are opportunities, Throckmorton tells *HRWire*.

Going forward, it's very important for HR to keep employees happy, she says, and managers should be doing the same.

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**Online:** Salary.com, Employee Job Satisfaction and Retention Survey, results summary available for download, <http://solutions.salary.com/jobsatisfaction2009/>.

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