

HR Strategy for Survival in Tough Times

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Every business periodical has offered a list of survival steps for our difficult economic environment. Most are well thought out and have insightful and practical ideas. However, these survival must-do's assume that the companies have capable, productive and committed employees at all levels to plan and implement these ideas. From my view, thriving through tough times is all about the quality of your talent pool. Many companies are experiencing a slower slow down than the technology businesses and are now in the process of making the tougher decisions in cost cutting including reduction in their work force. Embedded in these decisions are critical performance issues that were hidden by boom times or surface because incumbents do not have the skills and capabilities that are required in a rapidly changing business environment. Based on our 30 years of HR consulting, the most important recommendations we can make are the following:

DEAL WITH PERFORMANCE PROBLEMS IMMEDIATELY

Many medium size and smaller business leaders are very reluctant to deal with marginal performers in a sales downturn, especially those long tenured executives in key positions.

Typically, poor performance with plenty of concrete evidence is dealt with in a timely manner. However, those cases where closer relationships are involved and where there could be "extenuating" circumstances are painfully slow to come to conclusion. Many bosses are reluctant to define clear performance standards, give candid feedback, and make difficult decisions because:

- They are reluctant to break the "trust bond" with a loyal employee.
- They hate dealing with potential emotional conflict.
- Their optimism overwhelms their practicality. (i.e., Things will get better or performance will improve.)
- The replacement process is slow, painful, expensive, and still a risk.
- They don't want to appear unreasonable (many pride themselves on the fairness and objective nature of their reasoning process.)

The road to hell is paved with rationalizations and "yes, but's..." Yes, we have been having problems in marketing for the last 18 months but...the competition is very tough, the economy is down, etc. We also believe it would take us 12 months to hire, acclimatize and integrate a new Vice President of Marketing, and so on.

What to do? The exact strategy for dealing with performance problems depends on the company's culture. However, each company needs to develop a culture of performance where candid feedback is given and support for performance improvement is available. The following are some processes and approaches that can dramatically improve your talent pool:

INDEPENDENT BENCHMARK ASSESSMENT

This is a powerful method of helping leaders understand the performance problem, make decisions and provide critical support for executive and management development. At BHI, an experienced and skilled Human Resource assessor is able to:

- Help the decision-makers sort through the core competencies necessary for the position.
- Benchmark the manager or executive against national standards for his/her position.
- Help the boss develop an in-depth understanding of the employees' attitudes and motivations in addition to skills and talents.
- Help the boss through a decision process that gives a balance to the needs of the company and the needs of the employee.
- Create a developmental program that maximizes the probability of performance improvements.
- Coach the employee in developing increased leadership skills.

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