

## 2009 – How HR can revive to survive

**At the end of a tumultuous year, Sarah O'Carroll asks this week's executive panel about how HR can help revive companies and kick start 2009**  
<http://www.humanresourcesmagazine.com.au/articles/8C/0C05C28C.asp>

### **Roger Perry, CEO, Bevington Group**

The coming calendar year will turn out to be one of the most challenging periods of our professional careers. A large percentage of private and public sector enterprises are already planning personnel reductions. We saw this in the late 1980s and early '90s, and we will see it again in 2009.

The challenge for HR professionals is to help guide organisations through these choppy waters. In practice this means managing costs without damaging the organisation's competitive positioning, critical services or growth prospects.

HR must help the organisation avoid a knee-jerk reaction that can damage the enterprise's flexibility, customer service, and even introduce additional risk. This implies taking a leadership role in intelligent cost management. A weary executive team (or enterprise) is less likely to do the hard thinking required to respond intelligently to cost pressure.

A prudent way for HR to address the prospect of cost reductions is to ask a series of business-driven questions.

- What are our core processes? Where are people working on core processes? Where are people not working on core processes? What percentage of a given team's working day is non-core?
- Can we adjust our resource levels if we adjust service levels? Are all our service levels optimal?
- Where is complexity driving up resourcing levels?
- How do we really adjust our resourcing levels in central functions when volume decreases?

The often-faced problem is that executive management rarely has the appropriate information on the contributions of individuals to core processes. Therefore, a common response to the above questions is: "We cannot afford the time to properly consider these questions"

However, the science and art of productivity improvement now provides means to rapidly address this information gap.

Furthermore, you might also sensibly point out that "we cannot afford to remove personnel when we do not really understand their contribution to the business".

So, the smart response is to plan to cut the costs that add the least value. While everyone starts with this objective in mind, the reality is that without understanding the responses to the above questions we don't understand where the low value cost is to be found.

So the goal of HR in these troubled times is to harness corporate intelligence – to ensure that firm action is taken, but that it is based on the best that modern productivity methods offer.

Essentially this means truly understanding "who is doing what" and assessing the relative merits of the activity in relation to core process.

### **Frances Magill, CEO, Statewide Superannuation Trust**

We have looked at strategies that best benefit our members and our company in the current business environment. While there are challenges, there are also opportunities. In Statewide we work hard to attract and retain the best employees and strive to balance the needs of our people and our business – they are integral to each other. Statewide has adopted sustainability as a key business priority to ensure that we continue to develop for the benefit of our members, our staff and our environment. Our employee-led sustainability committee has identified a list of initiatives to improve the social and environmental performance of our day-to-day operations in 2009.

To attract and keep good people who share our values, our People and Culture team has developed a range of programs and initiatives. We have traineeships for employees of all ages that lead to permanent placements, and provide ongoing L&D opportunities for all employees, with generous study assistance.

Statewide is a family-friendly and supportive employer, offering generous parental leave provisions of up to 16 weeks' paid leave. Our employees enjoy flexible and supportive working conditions, such as rostered days off, personal and compassionate leave, job sharing, part time work, and an employee assistance program.

Heading into 2009, our focus is to meet our members' needs and further develop our team. Our

People and Culture team will be pivotal in managing the opportunities ahead.

Meeting the diverse needs of a multi-generational group – from baby-boomers to generation X and Y – is vital in creating inspired and motivated employees. By seeking their feedback in staff satisfaction surveys we aim to generate positive change that takes into account the broad needs of all of our people.

The overall result is an organisation that cares for its people, who, in turn, care for its members. While important at any time, this is vital in difficult times, making our People and Culture team integral to our business success.

### **Steve Rowe, human resources director, Pfizer Global Pharmaceuticals**

As I took the family out to hunt for a Christmas tree last weekend, the global economic crises seemed 1000 light years away. In truth, the kids didn't seem to be at all bothered by the spectre of rising unemployment, plunging share prices, exchange rate volatilities and a superannuation fund that seems to be shrinking by the second. The main game was picking a tree of the right size and shape.

If only life back at work were as simple. The fact is, for many of us it's been a tough year where much of what we have taken for granted for so long has been washed away – perhaps never to return. Even here in the lucky country, with our eternal sunshine and rich mineral wealth, it seems that "she'll not be right" after all.

Or maybe not!

The brutal truth is that on the back of the resources boom we've become fat and complacent. As individuals we've taken on debts that we can't afford, to buy luxuries that we don't need. And in the world of corporate

Australia the story is not dissimilar. With the economic returns so good for so long we've been guilty of squandering unnecessary resources simply because we could, to the point where the virtue of commercial pragmatism became seen as draconian.

So, where to in 2009 for those of us in the HR space?

The growing lack of confidence arising in corporate Australia as a result of the global economic crisis is a fabulous opportunity for HR to stand up and lead.

Now that the going is getting tough, HR practitioners need to be pushing the leaders of their organisations to get tough and do the right thing for the long-term value and sustainability of the business.

That means, among other things, truly recognising the profound link between leadership and colleague engagement and making sure that “real” leadership talent is retained, developed, and most importantly, allowed to lead through the tough times.

It means truly practising a differentiated pay policy which rewards top-end performance. It means not squandering those oh so valuable development dollars on somebody’s favourite management course but targeting them on interventions and programmes that really will make a demonstrable difference “on the job” right now!

And it means creating a truly engaged workforce by getting “all the brains in the game” rather than leaving strategy and decision-making to the anointed few at the top of the corporate tree.

If we HR folk choose to seize the opportunity there might be one or two CEOs who find a present under their Christmas tree this year that they really need – a committed and engaged HR partner prepared to step up and lead through tough times.

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