

## Developing the Recession-Proof Workforce

The latest labor statistics help tell the story of the continuous churn in the workforce. Unemployment was 5 percent for April; the annual average for 2007 was 4.6 percent. The rest of the story is that the most talented employees are coming and going as usual, because hiring does not stop even in a down economy. They will do what they believe is best for them. And among the departures may be some of your top talent.

Meanwhile, the slow economy puts pressure on all of us to do more with less. So we have to get the highest level of performance from the people we have. This means continuing to develop them, even when times are bad. So, what are company decision-makers going to do if the best people walk out the door? Will it be...

**A. Rejoice as people move on, seeing the wages and benefits we do not have to pay as money in the bank?** (Hint: This is NOT a good answer, although some people do business this way.)

**B. Continue our recruiting and hiring programs and find ways to develop and reward the best even during economic downturns?**

If you answered B, you might just be among the top talent your firm recruited, retained and developed. You know the value of employing the best and you know that you need them at the helm continuously, and especially during times of economic turbulence.

Even more important, you likely do not assume that because times are bad, your most valued employees will stay put. Why? Because you know that the very best people can always get jobs, and your competitors are out there trolling for them. So you are ever vigilant in managing your talent pool.

In a survey of 850 executives, two-thirds said that their organization's inability to attract and keep the best people is the second biggest threat to their business. The biggest threat is competition. The following is a chapter from the book *40 STRATEGIES FOR WINNING IN BUSINESS*, which offers advice on how to grow your business during turbulent economic periods. When you agree that the *only* way to compete is with the best people, try some of these ideas to manage and keep the best:

Build a recruiting strategy that operates all the time, not only when people leave. If you shop for talented people only when you see turnover, you will be presiding over a system where jobs either stay open too long or you hire in haste (and repent not too much later). Remember this equation: Open positions = poor productivity. Poor productivity = both customer and employee dissatisfaction. Jobs left open too long = a financial drain, not a savings. Jobs left open for extended periods also may create more openings.

1. Be a matchmaker. Make sure of the person-to-job match from the very start; do not hire someone who "sort of" works and hope for the best. Do not rely on your instincts. Do not hire someone because he or she is charming or just like you. Smart business leaders use assessments to guide them.
2. Know your employees. Find out what their dreams are, and help them realize those dreams by developing their skills. Knowing what they want starts at recruitment and continues throughout an employee's career.
3. Cross-train. When superb workers know how to do many things, you can place your employees strategically. Challenging your best people in this way lets both people and organizations grow.
4. Find creative ways to reward excellence. If the bonus pool is limited, you can make the award more meaningful by giving it to those whose performance is stellar. Spreading it out equally among all employees, even those that did not perform so well, diminishes the meaning. Your best people expect to be recognized. Also, be innovative beyond financial rewards. If you know what your employees value, figure out ways to see they get it. Some ideas: Extra time off, challenging training for new jobs, flexible hours.
5. Get out of the way and let your excellent workers perform their magic. Keep your door open but do not micromanage. You might learn something new as well.

With the cost of losing an employee somewhere between one and five times his/her annual compensation, opening the door to let your best workers depart does not make good spreadsheet sense. This is true whether economic waters are smooth or choppy. Dealing with the up-and-down cycling of the economy is a part of doing business in a changing world. You cannot control a downturn, but you can make your workforce recession-proof.

Source: Jim Sirbasku, CEO Profiles International