

LEADERSHIP THROUGH THE RECOVERY

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AGENDA

- 1 **The GFC Impact on Your Organisation**
- 2 Leadership in the Recovery Mode
- 3 Building Open Communications
- 4 War on Talent Continues
- 5 What HR will have to Deal with

OBJECTIVES

- To help you:
 - **understand present issues/trends** in managing the workforce post-global financial crisis (GFC).
 - **identify potential factors** that will help increase human capital capability post-GFC.
 - **develop your strategies** for the recovery period

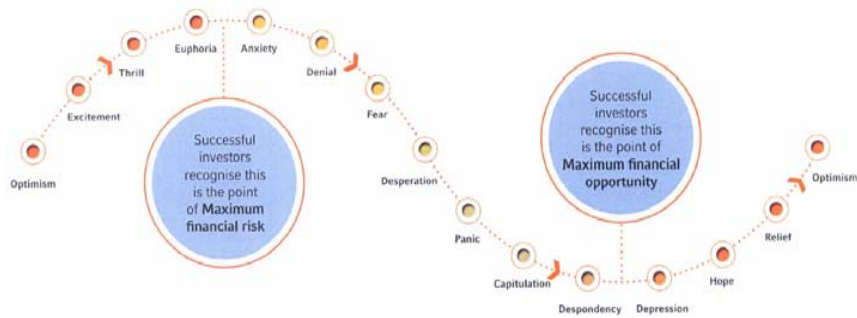
THE GFC IMPACT ON YOUR ORGANISATION

- Recession, retrenchments, redeployments and restructures have occurred extensively over the last 18 months.
- However, employee engagement and morale have taken a beating in the process.
- Not all doom and gloom! Slowdown clearly moving from 'Despondency' to 'Hope'.



THE CYCLE OF MARKET EMOTIONS

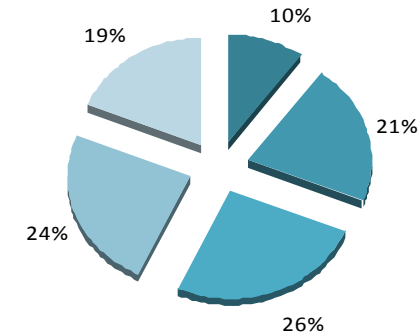
Where do you think we are?



WHEN WILL WE EMERGE FROM GFC

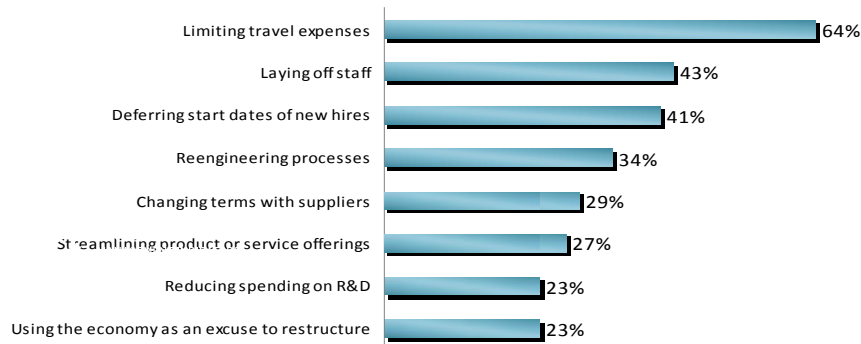
When do you think the U.S. will emerge from the current downturn?

■ Late 2009 ■ Early 2010 ■ Mid-2010 ■ Late 2010 ■ 2011 or later



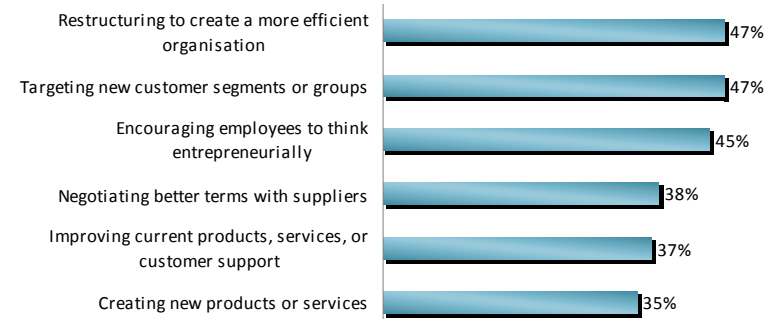
SMART ORGANISATIONS

What is your company doing as a direct result of the current economy?



SMART ORGANISATIONS

Which of these opportunities is your company taking as a result of GFC?



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LEADERSHIP

- There are two phases when crisis leadership would come into play:
 1. **The emergency phase** – where leaders have to try and stabilise the situation and buy time.
 2. **The adaptive stage** – where leaders tackle the underlying causes of the crisis and build the capacity of the employees to work more effectively in the new situation.

LEADERSHIP

- ✓ Watch cash
- ✓ Rethink growth
- ✓ Change your organisational psychology
- ✓ Management intensity
- ✓ Control in real time
- ✓ Build a confident organisation

LEADERSHIP

- According to Mintzberg's - 'communityship' has decreased in organisations.
- It is adversely affecting sense of belonging, particularly among non-Australians
- HR to involve leaders in building a sense of 'communityship' in the organisation.



"HR directors should be viewed as the second most important person within an organisation"

Jack Welch, GE, ex-CEO.

WORLD'S MOST ADMIRABLE COMPANIES, 2009

- How they became 'admired' during the GFC!
 - Aligned their business model & structure with their purpose.
 - Matrix structure, with strong emphasis on accountability.
 - Fostered a collaborative culture - live a relevant set of values.

WORLD'S MOST ADMIRABLE COMPANIES, 2009

- Placed a strong emphasis on training their leaders and managed across borders.
- Do not have one best structure.
- Develop and apply robust operating models, that are not easily replicated.

(Fortune Magazine, July, 2009)



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BUILDING OPEN COMMUNICATIONS

"I don't think you can over-communicate with a business when you are going through tough times."

CEO Jones Lang LaSalle

- Charan's recommendations
 - informational
 - motivational
- Encourage communication between different departments and levels of seniority within the organisation.



BUILDING OPEN COMMUNICATIONS

- Non-conformists in organisations should be encouraged to give alternative viewpoints.
- Case Study: *Goldman Sachs* – ethics and tone set from the top.
- Top-down, through the ranks, face-to-face, (supervisor), regular & about dept specific issues.



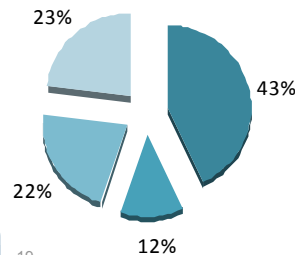
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WAR ON TALENT CONTINUES

They're still getting ahead...

- Did not receive a promotion or make a lateral move
- Received a promotion and made a lateral move (minority)
- Received a promotion - 1:4.5
- Made a lateral move - 1:4.5



WAR ON TALENT CONTINUES

- Who leaves an employer by choice during recession? 20% (US) have already jumped ship! 9% in Australia.
- Turnover levels are going to increase significantly. Disengaged employees will leave.
- Employer Branding will need to be well-structured and represent the internal culture of your organisation well

(Hanson case study).

WAR ON TALENT CONTINUES

“The depth and quality of retention planning today will separate the talent winners from the talent losers tomorrow.” – Jeff Schwartz (Deloitte)

- Survivor mentality
- Succession/Talent Management

(Wayne Cascio, University of Colorado)



WAR ON TALENT CONTINUES

- Quantum’s research paper, Extreme Futures, demonstrates 74% of their clients have been adversely affected by the national skills shortage.
- Identify the workforce needs of your organisation in terms of critical employee skills.
- A workplace planning model looks at:
 - The type of skills required for various roles and;
 - The importance of those skills to the organisation in the short and long terms.

WAR ON TALENT CONTINUES

- Most organisations cut back on the L&D programs as a way to save costs during the recession.
- Implement opportunities for employees to upgrade their skills.
- Long-term training sessions can serve to act as a retention tool.
- Leadership training – more streamlined.



WAR ON TALENT CONTINUES

- Vicious cycle will result in internal skills shortages.
- Charan (2009) – Observe employees who have displayed resilience throughout the recession.
- Economical training forums, including:
 - computer based training and;
 - top-performers deliver training to their teams.

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HRSUMMIT 09

WHAT HR HAVE TO DEAL WITH

- HR to walk a tight rope!
 - Management short-termism vs. war on talent & employee engagement
 - Fin. Resources vs. investing in staff
- Challenge old strategies and encourage more innovative ways to build employee engagement.
- A defining point for the reputation of HR departments across organisations.



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HRSUMMIT 09

WHAT HR HAVE TO DEAL WITH

- Relate well to line management
- Develop post-GFC strategies with the Executive team.
- Don't hide behind existing policies.
- Prioritise your HR strategies
- Manage with evidence (ROI/numerical benefits).
- Avoid quick-fixes
- Understand your business fundamentals.



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