



ROBERT HALF PODCAST SERIES

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Interviewee: David Jones, Asia Pacific Managing Director, Robert Half

Interviewer: Stuart Cameron

Stuart Cameron: Hello and welcome to the Robert Half International podcast series. My name is Stuart Cameron and today I will be speaking with David Jones, the Managing Director of Robert Half Asia Pacific about common mistakes made by management during difficult economic times.

David Jones, how can you keep your employees motivated and inspired to do their best work when you have fewer rewards to offer?

David Jones: There's a number of ways in which you can do that. I guess I would probably identify three key methodologies. The first would be don't assume that people feel lucky to have their job and in this marketplace I think you have to define typically between the larger organisations and the smaller mid-sized firms. So what we are hearing a lot from candidates in the marketplace is that those individuals that work for the big corporates with very good brand names, sometimes they are feeling that they are taken a little bit too for granted because they work for a great organisation by branding, they are not necessarily being communicated to enough. Those people that work for the small or mid-size firms, you often hear rhetoric like, "I feel like I am part of a family", which isn't always the same for a large organisation. Now there are pros and cons of course of working for both but clearly you can't work on the basis that people just feel lucky to have a just firstly.

The second error would be recognition. Recognition doesn't have to involve money or certainly doesn't have to involve large amounts of money. Recognition can be anything from a simple thank you, either individually or publicly, dependent upon what motivates the individual, or could be cinema tickets, a bottle of champagne or could be something a little bit more lavish but the reality is today people don't have the money to spend and even if they did, it may not necessarily be perceived as being appropriate. The third area would be make sure that you are spending time with the right people. What I mean by that is, we often, as managers, spend too much time with people that are average or maybe even poor to bring them up to speed. Whereas really we should be trying to spend time with our superstars, particularly given that we may be in an environment whereby we are reducing head count or intend to in the future. We can ill-afford to lose our better employees in this marketplace. Also you tend to get a greater improvement in productivity by spending your time with the people that quite frankly just get it. Often you will spend an awful lot of your time with people where you don't necessarily see an upside in productivity. Now that will have two impacts. Number one, obviously you will get an improvement in productivity and secondly, you will get a much greater buy-in to you and the organisation. You will get a sense and a feeling of family. Most people want and crave mentoring relationships and all that leads itself to that.

Stuart Cameron: Are organisations really focussing on retention at the moment because all we hear about is that companies are cutting costs and going through waves of retrenchments?

David Jones: I guess it depends upon where the organisation is in the process of cost reduction. So you can look at this in a number of different ways and I think the first thing you have got to consider is what is the major cost of the company. So if it is a service oriented organisation, typically the largest cost is its labour costs, its staffing costs. If it manufactures a product, then clearly it could have, you know, machine plants and so on and so forth. Think of the raw materials industry.

Clearly you have to look at what are the greatest costs in a business. Most people naturally assume that ... I guess when you go into difficult economic times you focus on staff and you focus on people losing their jobs. So if you assume that we are focusing on companies saving money by costs associated with head count, that is probably the best way to answer that question.

We are seeing a number of different things today in the marketplace. Firstly, are companies in the process of reducing less business-critical staff or are they actually reducing staff by a targeted head count percentage in order to save a certain amount of costs or are they really just focused today on peripheral cost savings that are associated with the head count? It could be anything to what you find in the stationery cupboard to what is spent on the corporate credit card. We are seeing that most people are targeting head count reductions but at this stage are looking at less business-critical roles or people that are less effective in their roles. Therefore, once a company is established where it is in that process they need to begin to evaluate to what extent are they focussing on retention and then what are they doing about it. A lot of people working for organisations today, with the feedback that we are getting is, my company doesn't seem to be very focused on retention, they are just concentrating on letting people go. Of course when you let people go it causes an awful lot of anxiety and people don't really know where they stand, they try to communicate with the manager, the manager themselves may not feel too secure in their own role.

So we are hearing a lot the managers saying, "Well, Stuart, you know, I can't tell you whether or not your job will be secure in three months time because I don't know for myself about my own job, about my own career prospects". Now in the main ... the manager is trying to show a degree of empathy with the employee but the reality is the employee is thinking, "My God, if my manager doesn't know whether or not his or her job is secure, then certainly I don't know if mine is". So I think companies that are perhaps been a little bit ahead of the curve in terms of reducing staff head count, they are probably beginning now to focus more on retention. They have got themselves down to a core group of individuals and they are really keen to make sure that they don't lose any of those core people because if they do, quite frankly, it is going to impact their ability to be a successful business going forward.

Stuart Cameron: Let's talk some more about that. Why should organisations focus on employee retention during a downturn? I mean I don't know of too many share prices that went up when an announcement was made that they were going to retain staff as opposed to retrenching them?

David Jones: I guess the cliché is that people are the most valuable asset of any organisation. Now typically speaking when tough economic times come a lot of the people that work for the organisation think that that is the least thing on the manager's

mind of an organisation. What you have got to look at is if you are reducing your head count, if you are reducing head count in terms of the less business-critical roles or you are able to evaluate perhaps the people that are not as effective, you are bringing your staff down to, as I said, that core group of people. Once you are down to that core group of people, you are then reliant upon innovation, you are reliant upon process and procedural improvement and you are reliant basically, or better said, on ideas. Now clearly, in order to get ideas coming through from the shop floor up you need to be focused on retention. People need to be secure. People need to have a sense of family. Without that you are not going to get those ideas. You need process improvement where people are expected to do more in the same amount of time.

If people start working ridiculous volumes of hours then you are going to get an implication for efficiency and productivity. People typically that work very long hours are exhausted by the time they come to Thursday or Friday. Also, what you have got to look at is, why do people join organisations? People join companies typically because of the people they meet in the interview process. So you have got to make sure that when you are hiring, whether you are hiring because the market has come back or whether you are hiring simply because you are having to replace some people because too many people have gone or other people have left, you need to really be focused on retention because the people they are going to be meeting in interview process are your own employees. The extent to which they can give a positive and favourable impression of the organisation will typically determine who wins the war for talent during the interview process.

Stuart Cameron: Assuming you have identified clearly who your top talent actually are, what is the best way to ensure that the organisation keeps that talent? I imagine in times like this that high performing individuals are in great demand and prone to be poached into other organisations. So how do you hang on to them?

David Jones: That is absolutely right. We are still seeing movement in the job market but it is the people that are the most valuable, the most desired in the marketplace. So without being too clichéd about things, I think it comes back to communication. How regular is that communication? More importantly, are you getting to know the individuals in your team or your department or your organisation as individuals? So a lot is written about the difference generations in the workforce, whether they are Generation Y, X, baby boomers, veterans, so on and so forth. Sometimes that means that managers think, okay, well, I know what motivates a Generation X versus Y or a baby boomer, so I will apply that logic. Well that's a starting point but I guess you have got to get to know the individual. You have got to get to know the ins and outs of the individual and the only way you will really get to know that is spending time with them, spending time in review meetings, spending time perhaps going for a coffee with them, getting to know them personally. Once you are able to do that I think you have a much fuller understanding of, you know, what you are faced with.

Stuart Cameron: It would seem counter-intuitive to me that in a time of uncertainty in the jobs market that people would be hunting around for a new job. In your experience are people really looking to move at the moment?

David Jones: Yes, they are. You have got to look at this though in two different camps, I think. So are people being pulled towards a new opportunity or are they being pushed from their existing? What we are seeing today in the marketplace is people are in the mainstay being pushed away from their existing roles because of uncertainty. Sometimes that uncertainty is not valid. Sometimes it is. So to what extent are you

communicating with your staff to make sure they are brought into the picture to make sure that if they shouldn't feel uncertain that they are aware of that? When you look at the people being pulled towards opportunities, you tend to perhaps look at the people that are most desired in organisations.

In the realms of finance and accounting, typically you are looking at people that have been able to save time, money and/or effort. Those individuals that have been able to show that they can make money for an organisation or they can save money for an organisation. Twelve months ago you could almost turn up for an interview, be well presented, be relatively articulate and get the job. Today that doesn't quite cut it.

You have to be able to articulate where you could save money for an organisation or create money for an organisation. Most people that are well qualified and well versed within accounting and finance have been able to do that in the past and can evidence where they have been able to do it in the future but you have to be able to articulate that in an interview and you have to have actually done it.

Something on a resume that normally says 'involved in or assisted with' normally means sat next to the person that did. So it is really important I think when you are interviewing these individuals, you really do dig deep in terms of your competency-based interviewing. Focus on far fewer topics but really get into the detail to ascertain whether that person did actually save that organisation time, money, effort resulting in cost-savings or bringing in money to the firm, before you make a hiring decision.

Stuart Cameron: You mentioned earlier on that workloads can start to get a little bit unwieldy? When staff members see team members lose their jobs and not being replaced and they see their workload piling up as a result, how can employers ensure that they keep their teams productive and that they don't burn them out?

David Jones: So I think the key thing here is you have got to monitor working hours. So the culture very much exists that if you work long hours you will be protected, particularly if the manager does that. Now the manager may choose to do that. They may have different personal circumstances to the worker. Some workers are more efficient than others. Some people, quite frankly, have to work more hours to get the job done because they are simply not as good but what we tend to find is that there is a tail off in the productivity of an individual towards the end of a working week, if they have been working excessive hours. So one of the key things to do as a manager is to monitor those excessive hours.

Clearly during month-end, quarter-end, year-end reporting seasons people are expected to work additional hours. It is the nature of the beast to meet the reporting deadlines. But then you have to couple that with some more sensible hours those weeks after. The other thing really to consider is that it may well be that people quite frankly have to work extended hours for a period of time as an organisation gets through a transition period. Are you communicating that to the staff? Are they clear as to the reasons why and how long that that will continue for before there is a review. The third area that we are really seeing is those organisations that are able to bring contract labour on board. We are seeing more now that professional contractors or temporaries are being used to come in and take away the mundane or the repetitive work, therefore, leading to an increase in morale of the permanent members of staff.

We are still seeing people coming in and doing the more interesting project-based work but we are also seeing people coming in and assist with quarter-end or year-end

reporting and that can lead to a big improvement in morale and I guess probably a greater sense of family with that upline manager because they perceive that the temporaries are being used strategically to take away the mundane work from the permanent employees.

Stuart Cameron: Training and development are very important in any organisation but it seems that during recessionary times the training and development budget gets slashed and people get withdrawn from programs. Is that really the case at the moment and what impacts are there on an organisation if they do cut back on their training and development?

David Jones: I would say that in more than 50 per cent of the instances we are seeing companies reduce their training budgets and their training programs. So I think the key thing you have got to look at is again, 12 months ago to give an example, it was all about emotional intelligence. It was all about personal development. You are seeing less of that today. That type of training is usually conducted by an external firm or external parties. There is usually a cost associated with that. People today are much more interested in on the job functional training, training to make them more efficient at the job. They are looking much more for mentoring relationships, areas in which they can improve the job functionally as opposed to personal development. So I think most employees have kind of made that transition themselves. Those organisations that are still able to provide the same degree of training but perhaps the training is more functional as opposed to personal development, those are the organisations we are getting great feedback on.

Typically that functional training is usually conducted by people that work for the organisation already. So there is less of a sort of a dollar figure attached to that training. It's more the time of that person being taken away from their role to be spent on training. On the basis that certain generations in the workforce value a mentoring relationship, if the senior managers in an organisation or other management in an organisation are giving training on how to become functionally better, that also leads itself to the sense of family, the sense of buy-in, the sense of we are all in it together and helps foster mentoring relationships. So I think you have got to look at we still need to continue to train, develop and invest but we may not necessarily have the dollars, the cash that we had before but there are other alternatives that can have just an impact on the staff and the retention of the staff.

Stuart Cameron: What are some of the biggest mistakes that you see employers make when it comes to building their business in difficult times like these?

David Jones: The main issues that we see is that in order for businesses to grow and develop you have got to look at ideas and the generation of ideas. So you can look at that in two ways. If you sell a product or a service, you might be looking at innovation of those ideas and that's fine but in the realms of the people that we place, whether it's banking, finance, technology individuals, there is an awful lot of process improvement that can occur in the back office that will result, as I said, in cost savings or efficiencies going forward. So I think one of the key things that you have got to look at is to what extent are we still encouraging innovation internally? You have got to sort of think of the old analogy, you know, what is the definition of madness? To keep doing the same thing over and over again, expecting a different outcome.

So clearly we are in unprecedented times. People need to think differently. A lot of organisations though are probably pushing down on innovation and thought process. A

lot of people are probably thinking, let's be safe, let's not think of ideas. Really to stay ahead of the pack, as a company, you need innovation. That innovation doesn't always have to be product and service enhancement that may require an awful lot of investment in terms of dollars. It can be people in the back room, in the background providing innovation in terms of structural change, process change that can equally add things to the bottom line. So I think the key message I would get across is don't sort of hammer people down when it comes to generating ideas. You will also foster more buy-in, as I keep saying, you will get more of a sense of family if you are open to new ideas, if you always creating and thinking of new ideas.

You know, human beings you see time and time again, when we all have more work to deal with, there will be an innovation that comes and it is not always computer-oriented innovation but it can just be thought process innovation, that results in a more efficient work-life balance which means that that gets resolved and people can move on and they are more efficient in the way that they work.

Stuart Cameron: Winston Churchill once said, "If you are going through hell, just keep going." Of course he was saying that at a time of great difficulty in the world, during the Second World War. This crisis will eventually be over and companies will be in a position where they can start to recover. What sorts of things could and should organisations be doing right now to put themselves on a positive footing, so that when the economy does start to upturn that they are in a position to benefit from that?

David Jones: One of the things that we are seeing again where companies are perhaps leading the pack, maybe this is more for larger firms than mid-size firms, is organisations that are having to reduce head counts or reduce their cost base, rather than look at it on a departmental basis or a product basis, depending upon how the organisation is structured, look at conducting a talent management review. Look at saying "Okay, we are really going to focus on the people that are displaying the best attitudes and behaviours and we are going to move people across product lines or inter-departments. We are going to make sure that we have the best people technically and moreover the people with the best ability, the best attitude, the best behaviour." We are not just going to assume that because person X has been in that job in that department for an elongated period of time that they know best. We may even move somebody that hasn't worked in a particular environment or a particular sector because they have the right attitude, they have the right behaviour, they are going to come up with ideas that maybe someone that has been stuck in a role for a period of time, maybe there is less innovation.

So really if you are looking at your talent as a whole rather than by department, you are making sure that you are not losing good people. We are hearing stories whereby a department has to reduce its head count by X percent and the managers are feeding back to us they know they are losing talented individuals from an organisation. Perhaps if those organisations looked at their talent across all departments and moved people internally they would perhaps have a way of parting company more with the less business-critical people, quite frankly the people with perhaps not such a great attitude and behaviour towards their job, their employer, and really keeping those people that are going to push the organisation forward, that are going to have the innovation. Let's not forget when the market comes back, which it will, talent attracts talent. People join companies, as I said, because of the people they meet in the interview process. So your employees effectively become your talent spotters out there in the marketplace and that is really what is going to give you the competitive advantage when the market comes back.

Stuart Cameron: David Jones, thank you.

David Jones: Thank you very much.

Stuart Cameron: Thank you for listening to the Robert Half podcast series. For more information on global employment opportunities and career advice visit www.roberthalf.net.

End of Interview.