Employee engagement for leaders: the 'R' word

For so long we all avoided saying the 'R' word. It was almost as if we were hoping that if we ignored it, it would go away. Yet don't we all feel better now that we've moved out of denial? You can now talk about the recession without others gasping in horror or moving away from you.

Now, for many people, one 'R' word begets another. And for CEOs and HR managers this word is 'redundancy'. It seems like a logical solution: staff are underutilised or, even, idle; and it's easy to see them as an underperforming resource which still demands the same wages and management time as they did in the boom times. So, why shouldn't you treat this resource the same as any other which is failing to produce a satisfactory return on investment?

Dr Sean Sands, research fellow from the Australian Centre for Retail Studies suggests that this is wrong. "While redundancies may seem like a good way to cut costs in the short-term, the direct and indirect costs of downsizing can paralyse you company's long-term revenue generating streams," he said recently.

Are all redundancies bad? Of course not. The one discipline that tough times give us is focus. And sometimes this focus allows us to see those who are underperforming and not making any effort to improve, or those who are just the 'wrong fit'; whereas in busier times we might have missed them. Should these be let go? Probably. And, if handled correctly, it will have the impact of increasing the confidence in your management; because, while you may have missed those people in the past, their workmates certainly haven't. Who knows how long they have resented these individuals who have produced less for similar remuneration – benefiting from their efforts.

But, no matter how much they deserve to go, the way it is done is extremely important because of the effect it has on those who remain. To go back to Dr Sands: 'If redundancies are required, leaders must become transparent, accept responsibility, over-communicate and express compassion and empathy."

However, before any redundancy, I urge you to consider these two questions:

1. Is there anything you (or others in the organisation) have done that could have resulted in this poor attitude and/or underperformance? And, if so, is there anything you could do to change that?
2. Are you considering redundancy purely because of lack of work in their area – and there is nothing wrong with their attitude or effort?

If this is the case, I'd ask you two further questions:

1. How much have you invested in this person in the time they have worked for you?
2. When the recovery happens, how would you like them to be working for your competitor (with all this knowledge, experience and willingness to apply it?)

If these are relevant questions, have you considered the alternatives of unpaid leave (perhaps to up-skill), reduced pay or hours, less benefits or job-sharing? In fact, anything to save you losing that person in whom you have invested so much of your time, money, knowledge,expertise, wisdom and encouragement.

Examples of this are all around us. Here are two examples from the accountancy industry:
Example 1: CEO of PriceWaterhouseCoopers CEO, Mark Johnson is asking all staff to *consider 10-15 days of unpaid leave before the end of January, 2010.* This is voluntary for staff, with no penalty if they don't; and part-time staff.

Example 2: KPMG accountants are increasing flexibility with some staff moving to four-day weeks. In these tough times, trust is one of the most highly valued attributes. Demonstrating trustworthy behaviour is one of the surest ways to build loyalty and staff retention. 'Overcommunicate is a relatively new term – but such an important strategy in times like these. Don't just tell them once what the organisation's goals are and what role they play in reaching these – tell them every week – every day, put it up on the wall, have it as a diary note for the start of every day. This way they feel informed and involved.

They contribute more effectively and are less likely to leave. And why not try demonstrating trust by offering your underutilised staff lower pay or fewer hours during this downturn with a guarantee that they will return to their current rate or better when the recovery happens. They might just surprise you with their willingness to cooperate because you have taken them into your confidence; and they will have the incentive to make the recovery happen sooner in your organisation.

Your decision making – especially when making tough decisions – has to be transparent to build trust. This takes extra effort, but you will reap the benefits. Some final words from Dr Sands: "A climate of trust works both ways – employees appreciate and respond toempowerment and opportunities to learn and contribute, particularly in hard times."

These are just a few hints about how you can be best prepared to benefit when we come to the final 'R'word that we're all looking forward to...the Recovery!

Contributed by Kevin Ryan, an international speaker, workshop leader and author with Training Edge International. He is a business communication expert specialising in the areas of employee and client engagement, sales, humour intelligence and presentation skills.
Email : kevin.ryan@trainingedgeasia.com
Website : www.trainingedgeasia.com