

Critical takeaways from SHRM 2009



The SHRM conference is over, but we still have so much to share!

At the 2009 SHRM conference, we had the opportunity to speak to and conduct a survey with the HR community about some of the most significant issues they and their organizations are facing in the current economic environment. Here is just a brief snapshot of some of our findings:

Leadership is lacking.

The results indicate that more than two-thirds (67%) of respondents felt strong leadership was lacking in their companies during the recession which could be attributed to a lack of focus on and investment in leadership development before the recession began. Reinforcing this concern, the majority of respondents (61%) also felt strongly that their company's leadership is not well-prepared for an economic recovery. This perception is perhaps a result of the further finding that 40% reported a decrease in their company's investment in the development of key talent during the recent economic downturn.

"Strong leadership is an absolute necessity for companies aiming to not only effectively navigate the current economic turmoil, but also to drive their organizations forward once we see signs of recovery," said Peter Alcide, President and Chief Operating Officer of Lee Hecht Harrison. "Forward-looking companies that are the most successful and competitive players in their industry always make leadership development a top priority because management recognizes the positive impact of these efforts on their bottom line."

In terms of employment, in the next six months my company:

Will be hiring

27%

Will maintain current staffing levels

39%

Will be doing more layoffs

35%

n = 124

Note: Respondents who answered "No opinion/not sure" were excluded from this analysis.

Note: Totals may not equal 100% due to rounding

Some companies are planning more layoffs. But are they planning them properly?

Additional survey results found that two-thirds of companies have experienced layoffs in the last 12 months and 35% of companies expect to be doing more layoffs in the second half of this year. Further, almost half (44%) of HR professionals stated that their companies did not provide career transition services for separated employees and as a result, they are concerned about their employer's commitment to its workforce.

"As companies think through future staffing adjustments, what's clear from the survey is that providing career transition services to employees impacted by downsizings is critical for building and maintaining an organization's reputation as an employer of choice," continued Alcide. "A commitment to helping transitioning employees is recognized not only by those leaving the organization but also by the critical talent who is staying onboard."

Tips for becoming an employer of choice — in any economy.

Investing in a company's reputation as an employer of choice is critical at all stages of the economic cycle. Lee Hecht Harrison offers the following tips to organizations hoping to learn from some of the mistakes made during this downturn and to effectively lead in the upturn:

- **Focus on identifying and developing leaders in critical roles at all levels of the organization.** It is essential for organizations to develop their leadership talent beginning with emerging leaders who may be in their first managerial roles and continuing through more senior high potentials and succession candidates. This comprehensive focus on development drives a culture of leadership excellence and improved performance throughout all levels of management.
- **Demonstrate a commitment to employees' success in good times and bad by offering career management and career transition services.** As the economy improves and employees have additional options, they will increasingly focus on whether employers treated separated employees well during the downturn with appropriate severance and career transition services. Employees are being more careful about assessing long-term career mobility, so organizations that offer competitive benefits will clearly have an advantage in hiring and retaining the best talent.

To learn more about what insights LHH shared and gained at the recent SHRM 2009 Conference and for details on the workshops that were conducted at our Career Transition Center, please visit LHH.com/shrm.