

Press Release

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For Immediate Release

The economic downturn with a ‘People Development’ silver lining

With economic figures stacking up to build an increasingly gloomy picture, the traditional business area to first take the hit tends to be the training budget. Jack Rowlands argues that far from being disastrous, a downturn often gives companies the incentive they need to get the best out of their employees.

The story is familiar. Tough economic climate results in wage freezes, operational closures and jobs being shed. Costs have to be cut, managers reason, and yes, they are right. Everyone needs to take a long hard look at costs in the current climate, and one of these should be to get more out of your people asset. The dilemma is this – how do you help staff grow in their roles and achieve for you with a reducing training budget?

Many organisations want to assess staff productivity as they might quantify shop-floor production. And they do it by measuring outputs. If the outputs are OK, then the system gets a tick and everything is running satisfactorily. Or is it?

Sometimes hitting the target is not enough

Take a sales organisation (by the way, don't think this is just a sales problem, this analogy applies to any organisation). You set your team stretching targets which they achieve and you pat yourself on the back for your management skills. After all you must be a good manager, because your team have achieved target. But how have the team achieved target? Too often,

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success is achieved, using behaviours which go against your company's values and which are unsustainable in the longer term. Sometimes hitting the target isn't always the be-all and end-all. And you certainly don't have to look too far in the current climate to see obvious examples of this.

So; times are tough. You can, and no doubt will, cut costs. However, unless you can be sure your people are adopting the right, sustainable behaviours, unless you can get closer to getting your staff to deliver what they are capable of delivering (or as it is known in some circles) 'sweat the asset', your company will always achieve less than it could do. This also applies in good times but it is masked by a forgiving economic climate.

So how do you get more out of your staff? Well, bizarrely, not by laying down arbitrary targets that's for sure. When most employees are asked what they should achieve, most expect far more of themselves than their management are looking for. And, whilst setting challenging targets works for some, it isn't the right approach for everyone – some people, for example, will give of their best when you make them feel safe and secure.

In any recession, there is a common theme: some businesses have workforces who aren't working to their full potential, compounded by a considerable reduction in training budgets. If this sounds familiar, what should you do?

1. The first thing is to make sure that previous training is implemented – all that expensive knowledge is utilised. Too often, people have a great time on training courses, and then their notes and their new-found knowledge stays on the shelf gathering dust
2. Very often there is a vast wealth of untapped skills, ideas and expertise in your people. How well equipped are your managers, at all levels, in tapping into this expertise (this undervalued asset) and passing it on to others in an effective way?
3. Spend time coaching your managers. They should already have all the tools and techniques that they need to keep the business growing – but sometimes need support to find solutions within themselves.
4. Encourage and train your managers to become coaches themselves. This way they are empowered to unlock the potential in all their staff, which will build a more enriched, vibrant workforce. They will sweat themselves!
5. Review your company's goals, the reality of the current situation, and go back to check if the goals are realistic. Communicate a compelling vision that everyone buys into.

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It took a genius like Einstein to quote the definition of insanity as “doing the same thing over and over again and expecting different results” yet there are those business people who fall into this trap. Don't think that a recession is any excuse for being insane.

ENDS

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