

R for Resilience not Recession

By Terry Fewtrell

“Don’t mention the R word” has been a catchcry of recent times. As the nation summoned its resolve to fight off the global financial crisis (GFC), the prevailing psychology has been to not let our language reveal our deepest fears lest they become reality.

Well reality has now hit and it is clear the Australian economy is entering a period of economic recession. Just how deep and long that recession might be unclear. What is clear is that it is now time to talk about the other R word - resilience.

Only a short time ago the challenges were about skill shortages and managing in times of seemingly insatiable off-shore demand, easy credit, infrastructure pressure and buoyant employment markets. Now Australian businesses and government face a new environment characterised by uncontrollable international circumstances, declining markets, capital freezes and uncertainties across the board. Pressures to resize businesses lead to staff retrenchments or, in some cases, more creative shared approaches to reducing working hours.

Governments offer stimulus packages and other incentives to bolster business confidence and strengthen social policy safety nets to cushion the impacts of reduced economic activity. Budget deficits are now seen as responsible policy settings, involving expenditure aimed at limiting negative impacts and positioning the nation to surge in the recovery by building infrastructure for the future. While government’s role is increasing, the pressure will now be hitting public sector agencies as the budget process seeks to find savings to offset increases caused by big picture policy responses.

Sitting tight and bunkering down to ride out the storm is not an option, for business or employees, whether in the private or public sectors. No parts of the public sector are immune from review and change and there are few government agencies where one could ‘hide’ after the reforms of the past 20 years.

Trying to hide from the impact of this recession is fruitless. The nature of a global economy means that linkages and exposures run fast and wide. So too do the collateral impacts in the domestic economy, both public and private. Realistic assessments are the only option. This holds true for employee as for organisations. Doing nothing is the high risk option.

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Now is the time for employees to do an audit of their skills and employable value. Not because it is a conducive time to test them in the market, but as a reality check and a way of shoring up their prospects and positioning them for the future. Here business and staff have common interests. Staff layoffs and redundancies may deliver short term benefits to a share price or an agency budget, but in most cases are very disruptive, harmful to good customer service and effective recovery. Staff engaged with the business and with their own capacity to contribute, put themselves in a position of greater value.

As with all performance related matters the most effective approach for the employee is to take the initiative and be clear about their own agenda. Taking control of their own situation sends a message of value, awareness and openness. They are branding themselves and highlighting their value proposition to the organisation.

So how else to take the initiative? A realistic assessment of skills and capabilities may lead some staff to 're-invent' themselves. Just as the business or organisation may be forced to change its focus, so to the individual may take advantage of those changes to build their strengths in other areas, if only to make the overall package they are selling more versatile and flexible. In some cases such assessments can lead to significant changes in direction, perhaps not immediately, but when economic circumstances permit. Laying down the first planks of a longer term plan may be an outcome from confronting the pressures of the current climate. Here the use of intuitive on-line tools, such as Career Storm Navigator, can be useful in prompting the thinking necessary to take stock and plan for the future.

For others it may be a way of tapping into management's resolve to position the organisation for when the storm has passed and ensuring that it is positioned to grow and build market share in the recovery. Part of that strategy is to nurture people with the right skill sets and attitudes so they are part of the next phase of growth. Indicating to managers and supervisors one's willingness to be flexible and adapt to future needs reinforces the value of an employee to the organisation going forward.

One group likely to find the emerging climate confronting is Generation Y. This is not because it is the first economic downturn they have experienced in their worklife, but because the constraints and strictures of the new environment run counter to their instinctive preference for a free-wheeling employment experience where they are comfortable dictating the terms on desired experience and skills and even salary. The scope for them to operate in their natural style is now limited. Calling the tune may result in the employer calling their bluff. This is a risk that each individual needs to assess for themselves. Realistic assessments and taking the initiative may have more profound meanings for this group.

One of the best protections for any employee is to build contacts and networks with others, both within their organisation and across an industry sector. Networks can provide a wealth of input and advice plus opportunities for assistance and placement. Valued counsel from those who know you best and can offer sound advice builds confidence and resilience. It can also provide intelligence and help position an employee for the future or to avoid unexpected 'hot spots'. Networking in these times represents the best of human interactions, as people collaborate to share information and advice. The cause of the recession may be global, but part of the individual's response should be very local.

If Generation Y may find recession a whole new experience, senior workers at the other end of the workforce profile will know something of the menacing beast that now runs free. In particular they will know of its dangers and the risk of being collateral damage.

Older workers may find themselves under pressure to free up an opportunity for a younger colleague with greater financial commitments. Given the damage done by the GFC to retirement nest eggs, such arguments will have little attraction for many older workers. They more than others need to consider carefully the value proposition they bring to their employer, their willingness to be flexible going forward and the resourcefulness they can tap through their networks. Successful strategies in recent years to shore up the corporate knowledge and skill base of agencies will face new pressures as redundancies become attractive to those approaching retirement age. Agencies and employees need to work creatively and collaboratively in this area.

Despite the grim economic circumstances there are always opportunities. Recent years have seen growing concern for work/life balance in the workforce. Perhaps the recession, offers a chance to take that rhetoric seriously. Reduced economic activity and cuts to departmental budgets suggest that there are opportunities to spread the pain more widely, instead of simply cutting a set number of staff. Taking a longer term and more creative view can often produce better outcomes for organisations. Workforce planning can provide the rigour and evidence base for innovative options. In many cases these can better respond to the need for short term cuts while providing robust exit strategies as the recession abates.

Certainly R is for Resilience. But don't forget the psychology: let's start talking now about R for Recovery.

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