

STRATEGIES

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SHOP TALK

The Upside of a Downturn From The President's Desk

Suzanne M. Miklos, Ph.D.

Living in a cold climate, we can all relate to big sweaters and winter coats hiding the sins of winter diets. In the same way, a good economy lets us hide the sins of ineffectiveness in our organizations. "Fat, Dumb, and Happy" is a phrase that well describes our occasional corporate complacency.

So when our complacency is broken due to a downturn in business, the question becomes: Do we reach for a fad or quick fix? Or, do we take the time to examine the underlying choices, assumptions, and behaviors that - if changed - would lead to increased organizational effectiveness?

Some of the critical questions we can ask in business lead back to core competencies of our people and our organization [see box at right]. What value do we bring to the marketplace, and what is our organization doing both to support and hinder that value? By comparing the answers from different stakeholder groups - customers, employees, managers, and vendors - a dialogue about how to become a more effective organization can ensue.

Yet identifying causes of misalignment can be tough to sort out. In one client company, employees appeared to be resisting the implementation of a new technological solution to quality/ process control. However, the underlying issue ended up being worker skill deficiencies. The sense of team and community in the organization was so strong that skill deficiencies were being covered up by people's willingness to help each other. Now, that same sense of camaraderie is being channeled to skill building, allowing the technology initiative to make its potential contribution to the bottom line.

So the upside of a downturn is that when it is time to tighten our belts, we can see what shape we are in. Get your organization back in shape by dropping the weight of ineffective processes and strategies.



Tough Questions for Tough Times

- √ What unique value does our company bring to the marketplace?
- √ How do the strategies, structures, processes, and competencies of our organization and our people complement each other in bringing that unique value to our customers?
- √ What ideas and habits have we been holding on to that, while important in the past, no longer contribute to our effectiveness as an organization?



Supervisor's Corner: Making the Case for Change

Joelle Elicker, Ph.D.

When Life Gives You Lemons....

In the middle of a downturn, when business results are not where they should be, you have an opportunity to make something good come out of the situation. There is a compelling reason for managers and employees to work together to improve the efficiency and effectiveness of the team and/or department. It's the perfect time to make the business case for change.

Step 1: Get Lemons and Sugar

Fortunately you have critical data at your fingertips. Summarize your department's results relative to business goals. Examples of metrics to look at include sales, profits, scrap rate, on-time delivery, product defects, and customer complaints. Use this information to show employees on your work team where change needs to happen.

Managers and executives are not the only people who pay attention to business and departmental results – often your best employees watch business trends. A way to target retention of valuable employees on your team is through an employee survey. The right survey can assess perceptions of employee groups relative to the department's strategic issues.

Trends in the business results and survey data can be interpreted in light of environmental demands on operations. The data will reveal areas of strength and opportunities for improvement in department policies, leadership practices, communications, teamwork, and quality initiatives. Now that technology and customer demands on the marketplace may have changed, different systems may be needed for your department or work team to be effective.

Step 2: Shake Well

Use the information gathered about the current and desired states of departmental systems to create a plan. For example, if the survey reveals managers and employees have different perceptions regarding leadership activities, you might design ways to increase communication between the two groups (e.g., with monthly lunches or a newsletter). Additionally if employees indicate they would like more training, provide training that will prepare employees to achieve the department's mission and strategy. Outline actions that will result in immediate wins, as well as those that will lead to longer-term initiatives.

Step 3: Serve Your Lemonade

Thank everyone who contributed to the data (for example, employees who completed surveys or participated in interviews). Show them what you are going to do based on the results. When making the plan, determine how you will know whether the plan has succeeded. In other words, what results do you expect to change, and how will they be measured? Communicate the plan and progress toward the plan's goals on a regular basis, keeping it in the forefront of everyone's minds.

Employee satisfaction and morale relate to important business drivers such as customer satisfaction and profitability. O.E. Strategies offers a full range of organizational effectiveness survey services. We customize employee and/or customer surveys, analyze results against key business indicators, and provide executive summaries and displays. Call 440-886-6576 today for more information.

Focus on Employees: Weathering the Storm

Rebecca Toney, Ph.D.

Earlier this year a disastrous snowstorm was predicted to hit the Northeastern United States. People and businesses immediately took measures to protect themselves. Freeways were closed, airports cancelled all flights, and salt trucks were dispatched in advance. Citizens were warned to venture out only in an emergency. Then everyone settled in, collectively held their breath, and... the storm blew in ferociously, but produced relatively little damage and injury.

Many people attributed this gentle result to faulty weather forecasts. However, it is more likely that accurate forecasts gave people time to prepare for the severity of the storm, thereby lessening its impact.

Your organization can similarly prepare to withstand the impact of environmental forces. For example, numerous predictions (including the Hudson Institute Workforce 2020 report) have emerged that indicate the next two decades will bring a great drought—not of rainfall, but of skilled employees. As the need for technical and professional skills are rising, the proportion of new employees entering the workforce is declining. Forecasts that show this trend provide the advance warning needed to make preparations that can diminish the effects on your organization of the impending labor shortage.

In this labor drought, organizations will have to best leverage the capacity of their current workforce. A comprehensive program to continually assess and develop the talent of your company's employees is one way to weather the upcoming storm. Most employment seekers desire a work environment that provides challenge and opportunities for growth. O.E. Strategies has the resources to help your organization put plans in place efficiently and effectively.

Fostering talent from within may do more than help your company weather the storm—it may just prove to be a competitive advantage!

Assess Your Employee's Talents

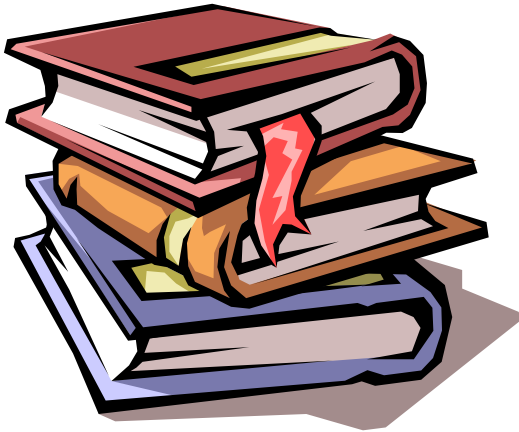
Use tools such as tests, surveys, and interviews to find out where your employees stand in terms of current skills, untapped potential, and future interests.

Create a system to ensure that employees are trained and coached to develop skills that match their interests and the company's needs. A survey by techies.com Inc., an online resource network for technology professionals, found that many employees think that employer-provided training is the best job perk around. 96% of the respondents said that the opportunity to learn new skills was very important when they evaluated a potential employer.

Tie rewards to the development of skills most needed by your organization, to avoid having employees take their new skills to another company. In a 1998 survey of IT workers by PDI, more than 80 percent of respondents said that receiving feedback, having individual development plans and having access to non-technical skills training would make them less likely to leave their companies.

Finally, make sure people outside of your organization are aware of your approach to development. Most employment seekers desire a work environment that provides challenge and opportunities for growth.

Book Reviews



Workforce 2020: Work and Workers in the 21st Century

Richard W. Judy (Contributor), Carol D'Amico

Hudson Institute; ISBN 1558130616

Workforce 2020 is a usable analysis of the employment trends of the next several decades. For example, while some view the tight labor market as an aberration, the reality is that businesses can expect it to be an ongoing challenge to develop a high quality workforce. Jobs themselves will continue to require more skills. The under-skilled worker will have more difficulty making a decent wage. Upgrading and updating worker skills will be essential to the success of most companies because stiffer competition and rapid change are continued trends. The work force itself will continue to grow more diverse, with older workers being a key resource for employers to tap. Human resource professionals must fill a critical role by injecting creativity in developing a skilled and satisfied workforce to support their company's economic growth.



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