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There is a silver lining even in the dark downturn cloud

Business leaders have been striving till the last quarter to control attrition, which averaged above 20 per cent across most knowledge industries. Those numbers have today dropped to single digit across many companies. Employees are reluctant to leave a job currently due to the uncertainty the downturn has created. As hiring numbers are low and job cuts scare is rampant, opportunities get limited. All these factors together are ensuring that 'voluntary' attrition numbers are low. And are likely to remain so, for a few quarters!

The one silver lining in this economic downturn – reduced attrition rates across industries. So is this news to celebrate?

Of course it is and the good news doesn't stop there. The low attrition levels provide many opportunities to organisations. Experienced team members provide a competitive advantage. Their knowledge of the business and experience with customers can be leveraged to build sustainable advantage across multiple areas. They can be co-opted for multiple capability building initiatives.

High retention levels also means HR teams need to invest less effort in recruitment. The team can focus more energy in reaping benefits of the low attrition levels. Some of the people-led initiatives, which progressive HR teams are driving, to harness the knowledge and experience of team members in the current environment are:

Strategic initiatives to build organisational capabilities. Once the economy swings back, what will be the new opportunities in the market? Can a probable set of opportunities be identified today and strategies put in

place to derive value? How do we re-skill the company and build capabilities to exploit these opportunities?

Cross-functional teams can be formed to develop and drive these initiatives. Senior management can provide direction and HR can manage the process, taking ownership for engaging and facilitating the cross-functional teams.

Driving skill enhancement. The “war for talent” will return once there is economic stability and business growth regains momentum. During such time the issues to ponder are – what are the skills, which have been a challenge to acquire in the market? In which areas have our teams been weak? Are our Managerial capabilities best in class? This is a good time to invest in building skills across the organisation.

Focused skill enhancement programmes covering internal training, job rotation, mentoring, knowledge sharing etc will enable development of future leaders and specialist skills. Today’s lean times have released bandwidth across the team – specialists are available to lead the skill enhancement initiatives and teams can make learning time available to team members. HR should step up the learning activities, close the current and potential skill gaps across teams and strengthen the company’s skill index.

HR Analytics. With HR resides immense amount of data related to employees – their education, experience, performance and success levels, attitudes, responses, compensation levels and attrition details.

Analysis of this data can identify trends and insights, which can be used to strengthen the people-decisions of the company. HR Analytics is in its early stages in India but has proven its utility in other countries.

The silver lining must be seen as an opportunity. HR leaders need to identify the upside of high retention levels in their company and evolve initiatives to exploit them.

The key is to look for the opportunity and not focus on the dark clouds!

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