



Five Talent Management Tips During an Economic Downturn

By Michael Gravelle

From a human resource manager's perspective there are few things more difficult than coping with an economic downturn: employees are nervous and management teams are looking to cut discretionary expenditures.

Talent management is more important now than ever but, from the perspective of many executives, short-term earnings take precedent over building long-term capabilities. In this newsletter we discuss five business practices that will help retain talent and keep people at the forefront in these difficult times.

1. **Nurture Your Top Performers.** In the chaos generated by doing more with less, it is easy to get complacent about the level of engagement of your high performers. They still need reassurance that their contribution and potential are valued. The way you treat them (and other employees) when times are tough will be well remembered and rewarded when business improves.
2. **Upgrade Your Talent.** A silver lining in an economic downturn is that there will likely be A-players available in the marketplace - top performers that you rarely see or cannot afford in times of growth. While you are engaged in the unpleasant task of restructuring, it may be worth exploring the external market to see who is available.
3. **Give High Potentials a Stretch Assignment.** As your business changes to respond to the new market realities, you will undoubtedly create out-of-the-box projects and assignments. Consider giving them to the high performers in your organization. They are always looking for new challenges and need ways to make a contribution.
4. **Don't Low Ball New Hires.** It is very tempting to offer lower compensation packages to new hires. There is pressure to trim budgets and they will probably not be receiving competitive offers. This may backfire in the short term. An employee who is being underpaid will be less inclined to over perform. In the longer term, when the economy picks up, employees who feel they are undervalued will be the first to leave.
5. **Justify the ROI of your Talent Management Practices.** It is more important now than ever to prove these valuable practices are delivering bottom line results. If you have reduced turnover, how much? If new hires are up-to-speed faster, how much faster? If sales people are more productive, how much more? Attaching dollars and cents to these practices will prove to your employers the value you are bringing to the organization.

As the belt tightens across North America, now is the time for Human Resources to prove their business value to the organization. Following these five talent management tips will help you and your programs become a trusted ally, and not a cost worth trimming.

Sincerely,

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