

Walk the Talk

Radio for Agile Minds

<p>Shelley</p>	<p>It's that time of the month when we "Walk the Talk" and welcome Nick Anderson to the studio to help us check out if we do actually "Walk our own Talk"</p> <p>Nick is Senior Partner for Professional Development Services – The PDS Group and affiliated with ROCG – Business Transition Specialists and long time contributor to WGUV</p> <p>Over the last 20 years Nick has coached many leaders in household names like Turner Construction, Qwest Telecommunications and Royal Bank of Canada to impact bottom-line results through aligning people for change</p> <p>Each month Nick chooses a topic related to the business world in West Michigan focusing on the transitions this economy is going through</p> <p>Welcome....What have you chosen for us this month?</p>
<p>Nick</p>	<p>During the last month we have noticed more of our conversations leading to – How are well prepared are we to come out of this recession?</p> <p>NEW YORK (CNNMoney.com) -- More than 550 laid-off production line workers in Pennsylvania finally got some good news. Oshkosh, the truck maker who gave them their pink slips, is now hiring them back.</p>

	<p>Oshkosh isn't the only company calling back is previously laid-off workers. Nearly a fifth of displaced employees return to the company that issued their pink slip</p> <p>Eighteen percent of laid-off workers who landed new positions were rehired by the same employer that let them go, up from 13% in 2005, according to Right Management's outplacement services, a division of Manpower. (n17,000)</p> <p>"In some instances, organizations are realizing that they may have cut too deep and are bringing people back in consulting roles or for project work," Melvin Scales, senior vice president for global solutions at Right Management, said in a statement.</p> <p>"Former employees have the organizational knowledge and skills to jump back into roles quickly to get the job done," Scales said, But redundant firing and rehiring can be disruptive to workforce performance and costly for the company, particularly in the form of severance payments..</p>
<p>Shelley</p>	<p>So, Nick, what is your theme this week?</p>
<p>NICK</p>	<p>The pitfalls of recovering from a recession when it comes to:</p> <ul style="list-style-type: none"> • Do you rehire or hire? • Doing different things <i>Not</i> doing things differently (<i>do what you have always done, get what you have always gotten!</i>) <p>In a recession many find themselves laying off more than once, and often means losing talented staff. This is sometimes called the "death of a thousand cuts"</p> <p>But what if, a few months down the road, you are in the position to hire again. Is it wise to rehire talent that was pinked slipped?</p>

This can be tricky and allot of ill feelings exist (regardless of how noble the reason for the staffing reduction). Maybe the whole dance might be more effective if some admissions were made about reasons. An air of honesty needs to be created that admits that prior actions weren't easy and that harm is met with sincere apologies. On the upside, today is a NEW day and that everything possible will be done to keep the jobs safe (and with mutual collaboration).

While the benefits are obvious, as ex-employees don't usually face any organizational, cultural or job-related learning curves, there are challenges that could come into play.

One is an employee's simmering anger and resentment at having been let go, especially if their tenure had been sterling.

"In all but the most carefully executed layoffs, there's legitimately bound to be some bad blood between the employer and former employee," says Patrick Gray, president of Prevoyance Group, a business strategy group.

While a former employee may willingly come back and work harder than ever for years to come, they might also come in seeking revenge, he notes.

"That revenge could range from the relatively benign time spent surfing the job sites looking for something better, to actively attempting to sabotage the company," Gray warns.

My take is that it's difficult to bring back someone into an environment where they have been *'rejected'*. This is perhaps

easier at lower levels where skills are perhaps more commoditized but in leadership roles, the dynamic would likely be awkward at best, counterproductive at worst

Yet other experts have a different view, and believe the positives of rehiring laid off tech workers outweigh potential negative aspects.

Anne Berkowitch, CEO of **SelectMinds**, a corporate social networking company, believes the decision for CIOs is an unquestionably "yes" for several reasons.

"Rehiring has shown to cost half as much as non-alumni hires, and rehires stay with an organization twice as long," Berkowitch says. In fact the CEO recommends that CIOs lay a groundwork for rehiring by developing a networking effort right after a layoff action occurs.

She suggests developing an alumni network that lets IT leaders and CIOs remain touch with former tech leaders and staff. This helps keep a CIO updated on an employee's work situation, any new skills they're gaining and opens a door to inviting ex-employees to return when an opportunity arises.

"An alumni network increases the chances that high-performing former employees may return to the company at a later date," she explains, adding that rehiring saves money in both training and recruitment processes.

"IT managers will also spend less time bringing a former employee up to speed, so the time in productivity greatly increases," she adds.

Berkowitch goes as far as advising CIOs to view former employees as "brand ambassadors for life" as continued

interaction can bring benefits further down the line as well.

"They can refer potential new employees or better yet, bring in new business to your company. That's why a social alumni network that keeps former employees connected can achieve measurable return-on-investment," she says.

But as one CIOZone.com member notes in an [ongoing discussion](#), there could come a point of 'no return' in rehiring and when that open door has to be shut.

"I think it's something that depends on both the person and the company," writes caragarretson, explaining that rehiring former employees not familiar with a revamped organization could prove a big challenge.

"If a significant amount of time has gone by, and skills have lapsed or if the company has reorganized and is doing business differently, it might be more productive to hire someone brand new, instead of someone who might be comparing with the way things used to be done."

Well the issues about reasons is a tricky one I think. Employers are leery of legal action in layoff situations from what I see happening, most won't even give formal recommendations. I do think the 'good' companies that value employees do have better lines of communication in place so that if a layoff happens it's typically not coming out of the blue. When that happens I think it's harder for employees to trust an organization again and trust is needed in going back right?

Fiona Morgan, HR and change director at community

pharmacy group Lloydspharmacy: "Be honest with people. We are dealing with grown-ups, and it's OK to say that adding fixed costs, such as a pay review, could lead to having to remove jobs later. The downturn has opened the door for a different adult/adult relationship with our people. We need to make sure that we build on that relationship and avoid returning to management speak or adult/child relationships."

Sacha Romanovitch, head of people and culture at accountancy firm Grant Thornton: "The biggest lesson has been that by engaging our people in some of the tough business decisions, we've been able to achieve a better business outcome, and actually have people better bought in to what we're trying to do. That has left us emerging stronger from it."

It is largely the ethos of the business. It reflects the norms of behaviour displayed by the vast majority of employees. It can often be seen in the informal grapevine that exists in most businesses. A positive culture will see the grapevine mirroring what goes on in the regular communication channels in the business. A negative culture will often see positive communication in formal channels and negative back-biting in the grapevine.

Business culture is something that emulates the style of leadership in the business. If the business owners manage their staff by "*Do-As-I-Say rather than Do-As-I-Do*", then the culture can be negative. This negative culture has a profound impact on productivity. Subordinates question why they should follow an instruction from their manager and frequently deliberately frustrate what they have been asked to do. Similarly, if subordinates notice that their boss starts lots of things but finishes very little, then they will feel entitled to perform in the same way. This is very costly

	<p>for the business.</p> <p>Uneven treatment of employees can also be a source of negativity that spills over into the business culture. You cannot allow one employee to perform below par and get the same rewards as another employee who performs superbly well. You cannot be critical of one employee because you do not particularly like them and ignore similar behavior in another employee because you prefer them.</p> <p>If the leadership is visionary and open to ideas from all levels of the organization then this creates organizational excitement. Communication is better. Subordinates emulate the high performance and positive outlook of their bosses. Employees tend to be mutually supporting in this environment and team work is at the heart of the business. Productivity is extremely high. Reward structures are fair and reward those that make the extra effort both internally in the business as well as in their customer interactions.</p> <p>So can company culture be changed? Yes, but it takes time and commitment. Those opposed to cultural change and mutually supporting teamwork may need to be fired. It starts at the top of the organization. However, a leopard may not be able to change its spots. It may require a new CEO with a more open management style and a commitment to high performance. Any focused and prosperous business needs to have a leader as opposed to a manager.</p>
SHELLEY	That's easier said than done in this economic climate
NICK	

Shelley	Surely, though, most owners are in survival mode and need to protect their business
NICK	
Shelley	OK. So what can business owners do now?
Nick	
Shelley	When are owners thinking of exiting their businesses?
Nick	
Shelley	With such compelling stats for just how much is on the line, what's holding people back?
Nick	•
Shelley	What are the main reasons for not having a succession plan?
Nick	
Shelley	(Comment) thenIn this recession why has transition planning become even more important?
Nick	
Shelley	How does the Family put a brake on transition planning?
Nick	



Shelley	What are the main reasons a plan being agreed, put in place.
Nick	
Shelley	Tip of the month
Nick	
Shelley	