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Highlights

## What should HR do during Recession?

Business cycles always pose a major challenge for business organizations, especially recession. The focus is laid on cost-cutting and restricting the business activities to a few defined lines. Major layoffs are targeted and innovation gets a backseat in the organization. There is widespread dissatisfaction among employees and the attrition rates go up.

Though recession affects the whole business, human resource is an area which is probably most severely affected. However, if it is managed effectively from an HR perspective, it

can turn out to be an opportunity for the organization in the long-run. A lot of HR professionals



panic in the situation, hence this short article to help them with a few important & easy tips to continue sailing while steering the organization with the CEO.

Traditionally, whenever there is an economic downturn, organizations used to focus on cutting HR costs. A recession is probably considered the perfect time for massive layoffs in the organizations. It is a common mistake committed by most organizations during this period that they divert their attention to firing the undesirable employees instead of focusing upon keeping the desirable ones. A recession is a good time for employee poaching. The firms keep an eye on valuable employees of competitive firms; thus it is important to keep manpower motivated so that they do not switch over to the competitors. The HR leader needs to adopt a holistic outlook towards recession and deal with it strategically.

1. Focus upon improving *employee engagement* so that there is a lesser need for supervision and the employees are self-motivated to accomplish organizational objectives.
2. Ensure *transparency* in all the HR systems in the organization and offer fair and equitable treatment to all the employees. This will ensure there are lesser incidences of workplace conflicts.
3. Offer proper *recognition* for the work. This will not only act as a motivational tool but will also minimize every opportunity for blame game in the organization.
4. Provide *training* to the employees, not only job-related but also for career progression. Recession gives enough time to carry out training programs and the employees also learn better considering it an opportunity for job-security and career growth.
5. Improve *employee retention* by offering retention/stay bonus to the valued employees. This will act as a motivation for other employees as well to stay longer in the organization.
6. Offer *flexibility in work* to facilitate work-life balance. By offering flexibility in timings and location, employees' satisfaction, engagement, as well as retention, can be improved.
7. Utilize this time for carrying *innovation and succession planning* in the organization. The slowdown in business gives both time and resources to be better utilized for long-term strategic thinking.
8. **Raise productivity.** Too few HR professionals see productivity as their direct concern, but that calls into question why they believe they are responsible for human resources at all.
9. **Optimise the human/technology mix.** There will always be fields where AI has limited value, and expertise in fields of application will be necessary for AI to act intelligently. IT specialists must never be allowed to be the arbiters of machine learning and HR must be an important input in all automation decisions.
10. Last but not the least, *communication* is more important than ever during a downturn. **Keep employees informed.** Companies need to walk a fine line between being transparent as a sign of respect to workers and not scaring them into searching for jobs elsewhere. No one appreciates walking into work and finding out the business is cutting half the staff that day with no warning.

Communication is a good business practice in good times and bad. If you're communicating to your employees along the way where your company is, you don't burn any bridges. HR professionals should keep a watch out for and respond to disgruntled laid-off workers who could tarnish the organization's image among future hires when the economy revs up again.

**As Debra Solt articulates very boldly, "HR doesn't get to sleep. You work during a recession. You work out of a recession."**



**By Aparna Sharma | Senior HR Professional & Certified Corporate Director | Editor's Collection**



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