



BY DAVID COHEN
For Workplace News

Will companies survive with their values intact?

In 1776, as the American Revolution began, the great liberal thinker and founding father, Thomas Paine, wrote profoundly: "These are the times that try men's souls."

Political correctness aside, now that we have "officially" entered a deep recession in North America, we stand at a difficult juncture ourselves. How we survive this crisis will mark us for a generation. As Paine understood, values are never more important than when circumstances tempt us to put them aside. During times of crisis, we have a tendency to adopt the short-term survival mentality, and focus on the urgent versus the important. We over-manage and under-lead.

Now more than ever, I believe those companies that survive will be the ones that come through for their employees. They will make it by focusing on the people who will see them through the crisis. Real leadership will be exhibited by those CEOs who maintain that human capital has the same value as physical assets, the strategic plan, and the bottom

Recession: Times That Try the Corporate Soul

line. For example, if you have supported employee development through tuition credits, now is not the time to cut those credits or "temporarily suspend" leadership development programs or internships, even though it might be fiscally prudent to do so.

Why does this matter? Because your employees are watching. They know what you've said about human capital in the past, and they will measure your words against your deeds.

Recently, I was asked to do a presentation to managers and supervisors about values and how the corporation and the individual share responsibility in holding one another accountable for the way business results are delivered. The new performance management process had stated just that: How one exemplifies the organization's values is just as important as what gets accomplished.

What made that situation tense was that the long-scheduled event took place days after it was finally acknowledged that we're in a full-blown global recession – and the client is an automotive parts supplier. Many of the employees who arrived to the session were already cynical or sceptical. Why did the company bring us here today? We know there will be more layoffs and more programs cut –

so what's the point talking about values and shared responsibility?

So began a day that turned out to be positive, upbeat, and forward thinking.

Employees are apprehensive during these difficult times. They have been here before or they have watched their parents live through previous recessions. At first, the discussion at my automotive parts client focused on those fears and concerns. But the very act of holding the sessions sent a clear message: leadership there was more serious about the company's people than the short-term crisis. Indeed, as the day progressed, it became more and more apparent that the organization's future was going to be positive. As one participant noted, "It is great that management is paying as much attention to the human equipment as the machines."

What are the concerns that employees have during these times? They wonder: is my organization going to circle the wagons, or is it going to focus on our strengths and our values and vision? Any armchair psychologist could tell you that there is more strength in the power of positive thinking than that of doom and gloom.

For a decade now, human resources has struggled to get a

seat at the table. It's time to speak up. Letting people go might be a reality in many organizations but that doesn't mean the human resources professional should become "Dr. Death." After all, we're supposed to be the organizational conscious-keeper. We're supposed to fight for truth, justice and the corporate way.

Of course, if your firm knows it will be filing for bankruptcy you may have no reason to be optimistic. But if you know there is a future for your organization, you should also know that future must include the employees, that inventory of human equipment.

I am not advising you to stand in the line of fire and sacrifice yourself for the good of the corporation. Instead, I'm suggesting a more subtle approach: ask questions. If you think the answer will be representative of an anxious and short-term mindset, you need to prompt a change in thinking. If we don't try and correct the course of the organization, how in good conscience can we say that we are human resources leaders?

Your efforts must be genuine and demonstrative. Your employees are sophisticated enough to understand when the appearance of effort on their behalf is shallow and short-lived. If, in your recent employee engagement activities, you provided opportunities for development or perks in the workplace, think about the impact that cancelling those development opportunities will have. How can you anticipate an improvement in engagement scores if what you promised is no longer available?

Your senior team might be comfortable in the belief that jobs are scarce and organizations don't need to worry about retention during bad times. But you know that now, more than ever, the good employees are being sought by headhunters working for organizations already regrouping for the future. A crisis like a recession is not an excuse for dropping your concern for employees. Now is the time to pay attention to your employees. Now is the time to live your values.

In my book *Inside the Box: Leading with Corporate Values to Drive Sustained Business Success*, I note that there is no product, idea or strategic plan as powerful as an organization's values. Staying true to principles is the way lasting organizations navigate change without losing their bearings and sense of direction. A leader's most important job is to clarify, live, and pass on those values to others.

Without values an organization's vision has no direction or energy source. Values are the corporate compass that let you know if a decision, action or judgement has merit. In difficult time organizations are tested. In that test, they learn whether the values they espouse are discardable beliefs or bedrock principles. The early signs of this recession indicate that, for some companies, including a number of Canada's leading institutions, values were little more than nice words on a website.

In the coming months check in with this column as we look at how companies are navigating these times that are trying the corporate soul.

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- *The Talent Edge: A Behavioral Approach to Hiring, Developing, and Keeping Top Performers (John Wiley and Sons, August, 2001)*
- *Inside the Box: Leading With Corporate Values to Drive Sustained Business Success (Jossey-Bass August 2006)*

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