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"A Funny Thing Happened On The Way To The Party.."

An interesting recalibration is happening in the market place today, one that will have a profound effect on the workforce for several years to come. We Americans have short memories, so I have no confidence that it will last, but it is clear that the near term effect on the employers becomes increasingly start each day. We lived through a similar dynamic with the collapse of the dotcoms in the late 90's only to return to a presumption of non-stop success and high expectations in the early part of this decade. With unemployment rates racing to double-digits nationally and already in the mid-teens in California, the number of people who are actively looking for jobs make any posted job openings a huge sorting exercise. Make no mistake, there will always be a longer term fight for talent, but in the short term, there is an over-supply for most positions.

There are two ways employers can react to this new dynamic in the marketplace. One is certainly to take advantage of it, pushing your current workforce and asserting that they are "lucky to have a job." Some employers are even flaunting the fact that there are applicants just waiting to take their position. As offensive as this strategy may feel, it can work short term.

The second approach, however, used by employers who know that economics

work in cycles, is to take actions now that reinforce their relationship with a workforce. Recognizing that stability and loyalty is earned, and in the long term, well worth the investment, distinguishes many companies today. It is not about carrying jobs you cannot afford or adding to employee costs unnecessarily, but it is about recognizing that an employment relationship build on mutual respect sets a tone which is also mutually beneficial. As Maslow taught us so many years ago, there are many with factors which motivate people, most of which revolve around working for and with people you enjoy. Being associated with a "winner", feeling pride in your work and in the products you produce and perhaps, most importantly, being appreciated for the contribution you are making.

Smart companies know that laying the ground work now in these "softer" dimensions in the relationship build a strong team and an even stronger company. Communication, vision, sense of team and knowing that you are appreciated in the work place all contribute to this enhanced relationship between an employer and its employees.

Companies are using job rotations, cross-training, mentorships and related activities to provide freshness to the

work and advancement opportunities for people without spending significant amounts of money in these tough times. It is about being thoughtful in the talent development process and recognizing that there is often untapped potential inside your organization. External hires are useful for sure, but so is rewarding loyalty and watching people stretch into new roles. There is a theory that everyone should be "re-potted" after 7 years in the same assignment. It is a renewal step which creates a new learning curve and a new challenge. Add new responsibilities, change work teams, do the ground work to prepare people to take on new assignments. Done in a thoughtful way it can literally rejuvenate a workforce which has been feeling over burdened.

These are indeed tough times. The simple answer is to constantly cut expenses and workers. The harder challenge is how to retain the smaller workforce for the long term. It is this second step which takes a personal investment in being thoughtful about talent management.

Take advantage for the short term or set yourself up for a longer term success. It is an interesting question. Ask General Motors.