



What worked in cost cutting—and what's next: McKinsey Global Survey results

Companies were able to cut costs effectively through the crisis, executives say, but they're less confident of their ability to contain or continue to cut them. Some companies are positioning themselves for longer-term success by planning the next round more strategically.

Executives say their companies have made effective and significant cutbacks in overall costs since the onset of the economic downturn in September 2008, according to a recent McKinsey survey. Even though cost containment remains a high priority, many respondents worry about the sustainability of the cost reductions and are only somewhat confident that their companies are adequately prepared for even bigger cost challenges, which they expect in the coming year. These are among the findings of a survey of 300 operations and other senior executives from around the world. We asked respondents about the size and scope of recent actions their organizations have taken to reduce costs, the strategic motivations underpinning the moves, and executives' views on the success and sustainability of cost cuts. We also asked respondents to identify the most significant risks facing their companies' cost structures in the coming year and assess their confidence in the level of preparedness of their organizations to manage those risks.

Source: www.mckinseyquarterly.com

What's the value in having values?

Should an organisation bother with establishing values? There are so many different functions, units, teams and individuals—all of whom have their own way of working. Are values just another organisational fad? In a world where complexity and change are everyday occurrences, organisations need to relate to an intrinsic language and way of operating that says how they should operate with customers, colleagues and suppliers.

Organisational values define the acceptable standards that govern the individual's behaviour within any organisation. Without such values, individuals will pursue behaviours that are in line with their own value system, which may lead to behaviours that the organisation doesn't wish to encourage.

Source: www.hcamag.com

Workforce advisory & management: Hold on to your seats...it's going to be a bumpy ride

The way an organisation has treated its staff during the GFC will determine how they react when the economy turns. The reaction of organisations to cut costs over the last 18 months has impacted many talented people. Some decisions such as removing benefits made on a corporate level have impacted staff more than we may realise. It's not only what the benefits are, it's what they represent. Staff will remember these decisions and possibly move on. This is particularly difficult when the Leadership of the organisation may be saying 'if they're not with us, let them go'. So how do we keep the key talent when the good times roll in?

Employees are saying "if they don't move my work area to a better position, I'm leaving," or "if they don't let me take time off due to all those long hours and weekends I worked, I'm leaving" or "I can get paid more doing less hours so it's not worth working here any more." Research conducted by Chandler Macleod and other agencies strongly indicates a proportionate percentage of 'loyal' staff are actively looking for reasons to leave. This behaviour demonstrates employees are feeling more confident about the market and their ability to secure a new role

Source: www.hcamag.com

Top of Mind: Re-engagement and Retention

In the current climate, an organisation's ability to re-engage and retain pivotal talent is critical, and strategic career development is again on the people agenda as a recognized key driver for engagement.

Donington is a specialist provider of career management, coaching and transition services. We partner with organisations to increase their effectiveness:

- Through a focus on individual employees' career development
- Building line managers' capability by increasing their skill to coach and have effective career discussions with their people and
- Facilitating alignment of both the above with the organisation's strategic objectives.

Contact your local Donington Consultant to discuss our career development programs and career management services, or email admin@donington.com.au for more information

Women's work: entrepreneurs can revitalize the global economy?

Desperate to turn things around? Take a fresh look at women-owned businesses. Far from being a niche market, they could be the tipping point for a global economic comeback.

The Center for Women's Business Research study shows that there are about 8 million women-owned enterprises in the US. Those businesses have an annual impact of nearly US\$3 trillion dollars and create or maintain more than 23 million jobs — 16% of all US employment.

Women entrepreneurs have economic clout. Greater participation of women in the labor force correlates with higher GDP growth.

Worldwide, women own or operate 25% to 33% of all private businesses, according to the World Bank. Women-owned enterprises grow faster than those owned by men and faster than businesses overall.

Source: www.ey.com