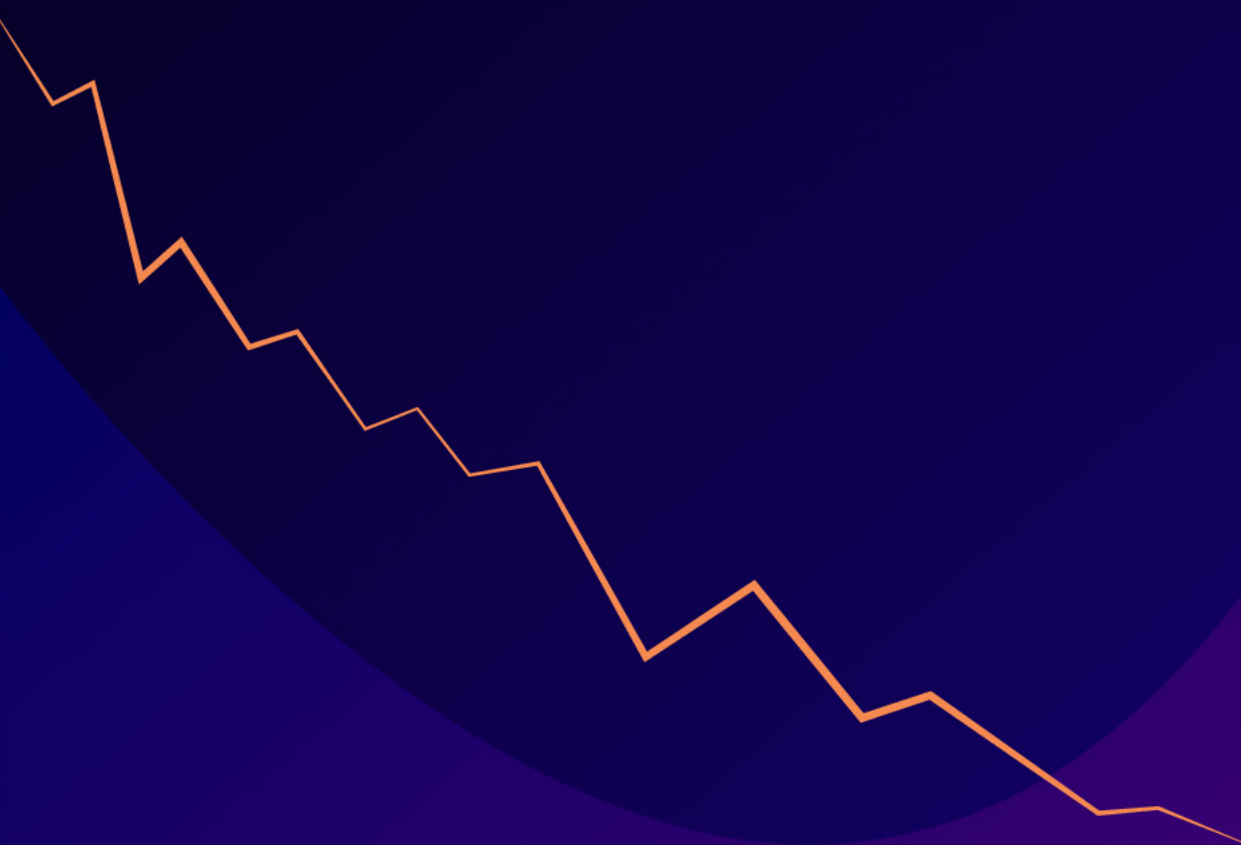


CONSULTANT EDITION

Surviving an Economic Downturn

With Talent Optimization

Use talent optimization to help your clients adapt to changing circumstances, protect their productive assets, and emerge stronger.



Dear friends, old and new:

Daniel and I have been buying and turning around companies since the early 2000s. We've led teams through the 9/11 attacks and the 2008/2009 recession. Over the past few decades, I've had the opportunity to speak and work with many executives who have done the same. One thing that's so hard for them is making decisions in times of uncertainty when people *need* real leadership.

As a former Olympic sailing coach, I've become a student of maritime history. There's an old parable that I'd like to share with you: "Let the storms show your mastery." Some of us have weathered these storms before. For others, this crisis is new territory. Of course, this will be a trying time for your firm, but it'll be especially hard for your clients. Fortunately, you have the tools you need to traverse these waters.

In this guide, you'll learn how talent optimization can help your clients safeguard their company. You'll also find additional call-outs to tools, workshops, and best practices available to you throughout this process. Think of this as a teacher's guide to helping clients stay agile and resilient during a crisis.

As you chart the path forward for your clients, never forget the impact of what you do. Businesses everywhere are facing the same dilemma: They want to protect their people, but they also want what's best for the company. When the skies are stormy, your clients have you as that guiding light. Help them navigate difficult situations, adapt in the face of uncertainty, and emerge stronger.

Know that you always have people in your corner here at The Predictive Index. We'll be right there on the front line alongside you—taking action no matter how difficult it may be. Amidst all the uncertainty, at least I can say one thing's for sure: Those who come out of this downturn will come out stronger and better than ever before.

We're in this together. Let's show our mastery.



Sincerely,

A handwritten signature in black ink that reads "Mike Zani". The script is fluid and cursive, with the first letters of "Mike" and "Zani" being capitalized and prominent.

Mike Zani, CEO of The Predictive Index

Introduction

We know executives care deeply about building a lasting company. We also know that when they encounter roadblocks to fulfilling this vision, they come to you. They lean on your insight to assess the state of their organization, identify vulnerabilities, and determine the path forward.

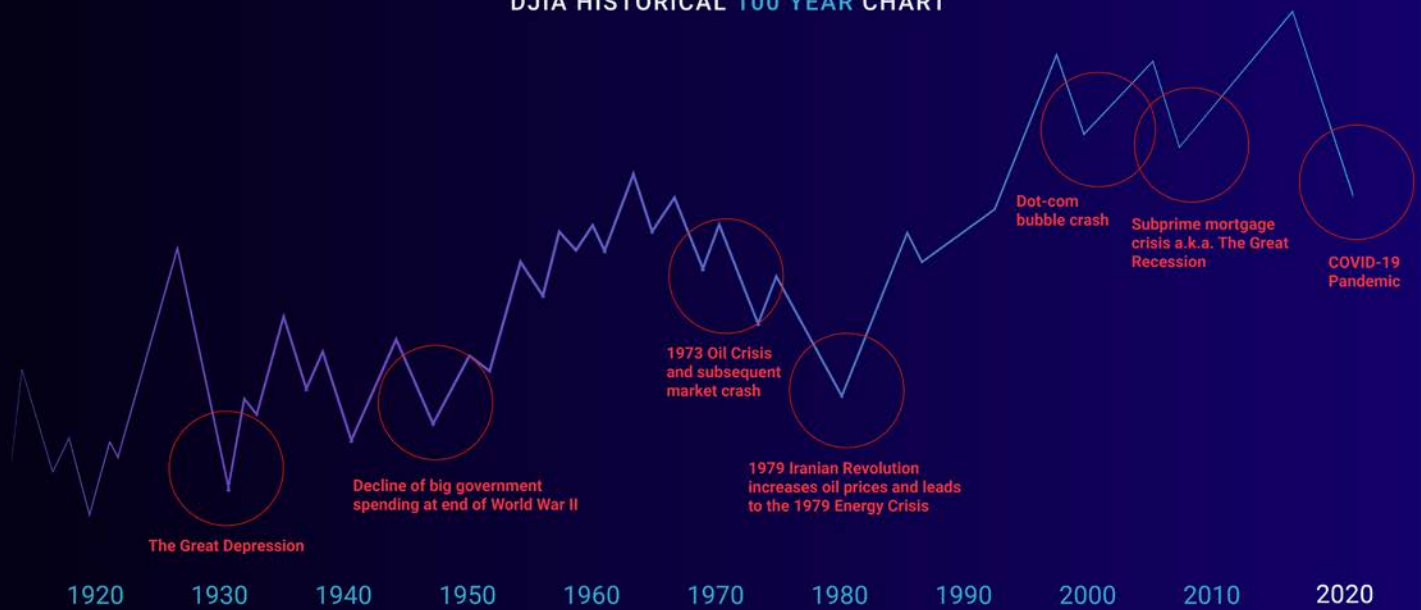
That much hasn't changed. What has changed is the current socioeconomic landscape. With COVID-19 and the resulting financial downturn, uncertainty is the new normal. Every organization is asking similar questions: *When will the virus be contained? Can we make key business decisions quickly? How do we preserve our culture? How can we avoid going out of business during a lockdown?* These leaders are navigating uncharted waters, battered by turbulence and propelled forward by an urgent, deep-seated need to lead their company to safety—so it will endure.

We understand you're doing all you can to accommodate clients during this time of unease. But with this comes its own set of challenges. Many clients are so preoccupied with internal fires that they have little time for external engagements. They're working from their homes, and the face-to-face interactions once used to strike an emotional chord are now relegated to email threads and conferencing calls.

Through all this, seeing your clients succeed is important to you. You've built meaningful relationships founded on trust and empathy. The overall well-being of these clients matters. When so much is at stake, it's incumbent upon you to give your clients what they need to minimize the damage incurred and maximize their odds of survival. Aside from taking health precautions, the best way to help your clients is to ensure their companies are resilient.

Aside from taking health precautions, the best way to help your clients is to ensure their companies are resilient.

DJIA HISTORICAL 100 YEAR CHART



While recessions impact most organizations, an [HBR](#) study found 9% of companies *flourished* after a slowdown. What did these companies' senior teams do differently that your clients can learn from? They ensured agility and resiliency. In a speech, professor Leon Megginson summarized Darwinism: "It is not the most intellectual of the species that survives, it is not the strongest that survives, but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself."

In a crisis, your clients' survival hinges on their ability to mobilize and inspire their talent. Their decisions and actions determine whether their people will be an asset or a liability. Ideally, their talent ensures adaptation by quickly developing and implementing a new operating model. But a variety of talent missteps can cause business failure:


- Employees aren't aligned with the new strategy
- Leaders are oblivious to employee struggles
- Leaders poorly manage the impact of a reduction in force
- Hiring teams don't reevaluate job requirements and needed skills

Your clients and prospects need talent optimization now more than ever.

You've made a living advising people. You understand the impact having the *right* people in the *right* places has on business performance.

As mentioned in the [2020 State of Talent Optimization Report](#), senior leaders at companies that practice talent optimization reported that 89% of their strategic initiatives were successful. That's 22% higher than average (73%). Talent optimization *works*—in good times and bad times. But clients need it even more when times are tough.

In times of change and uncertainty, talent optimization is a way to ensure agility and resilience. It enables companies to rapidly pivot in light of changing circumstances—so they can make tough decisions, fast and with confidence.

A woman with long dark hair, wearing a black blazer over a floral top, is speaking and gesturing with her hands in a modern office environment. The background is slightly blurred, showing office furniture and other people.

Talent optimization enables your company to rapidly pivot in light of changing circumstances—so you can make tough decisions, fast and with confidence.

In this guide, we use the four aptitudes of [talent optimization](#)—Design, Inspire, Diagnose, and Hire—to provide a framework for how to help your clients adapt their business and solve the following challenges:

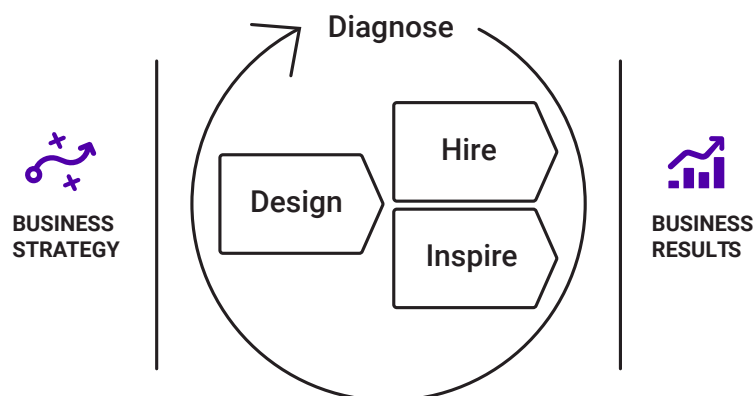
Reduction in demand: COVID-19 caused a sudden and massive slowdown in economic activity and a drastic reduction in demand for products and services. Customers may pay late, pause contracts, cancel, and freeze discretionary spending. Deals in the sales pipeline may not close.

Reduction in spending: The reduction in demand means companies must adjust their cost base and investments accordingly. Companies will conserve cash, temporarily rightsize capacity, or permanently reduce headcount to preserve the core and keep operations running.

Supply and infrastructure disruption: Supply chains may break down, and inventory may be depleted. Meetings, travel, and events have already been canceled for the most part. School and daycare cancellations will cause additional business interruptions. While these are necessary to reduce community spread of the virus, they mean more stress for working parents and they threaten client organizations' ability to continue operating efficiently, if at all.

Remote work: Remote work is a radical disruption to many organizations. Even if clients had flexible work arrangements in place before the pandemic, shifting to a 100% remote workplace brings both logistical and interpersonal challenges that interfere with the job to be done.

Uncertainty and fear: No one knows for sure when the virus will be contained. No one knows how severe economic conditions will become, or how long they'll last. Uncertainty and fear can prevent employees from speaking up to share new ideas or innovate—exactly what organizations need during [hard economic times](#). Fear can also drive down engagement levels and receptiveness to change.



These are just a few of the many challenges clients face right now. They'll need to take swift, difficult action to rise above them. This requires a solid action plan.

- How will your clients lead very different operations once their strategy has changed?
- How will they preserve their culture when employees are dispersed and stressed?
- How will they restore communication and collaboration in teams that have lost key members—or leaders?
- How do they help mid-level managers not buck under the pressure of doing more with less?

Talent optimization is the key to ensuring:

- [Rapidly realigned strategy and capabilities \(Design\)](#)
- [Adaptable operating model and culture \(Diagnose\)](#)
- [Resilient leaders, teams, and individuals \(Inspire\)](#)
- [Realigned jobs to accomplish more with less \(Hire\)](#)

More importantly, **talent optimization can empower you to help your clients adapt to change and lead through turbulent times—so their business can come out on top.** Following this process requires openness, discipline, and perseverance. It's no small order. Thankfully, you're there to guide them through it.

How to use this guide

Each section of this guide explores a different aptitude of talent optimization. Within each, you'll find actionable insights your clients can take back to their organization. We've also included checkboxes to help them stay on track.

Think of this consultant edition of the guide as a teacher's guide. It's a complement to the original client-facing guide. This consultant version contains additional takeaways in the form of call-outs, or boxes, on various pages. (The first one's right below.) These call-outs include recommended tools, workshops, and best practices to help you set the right tone and context to effectively engage with clients during this hard time.



Consultant Tip

When advising your clients, position talent optimization as a series of surgical, highly-effective interventions. It's easy to get overwhelmed with the entire discipline if tackled all at once. We recommend that you encourage them to take it one step at a time.

Consultant Tipsheet:

Surviving an Economic Downturn With Talent Optimization

Here are all the tips you'll find spread throughout this guide, compiled onto one page. Click on any tip to jump to the relevant section of the guide, where you can read more.

Tip #1: When advising your clients, position talent optimization as a series of surgical, highly-effective interventions. It's easy to get overwhelmed with the entire discipline if tackled all at once. We recommend that you encourage them to take it one step at a time.

Tip #2: Encourage your clients to tailor their communication style to the behavioral needs of each part of the organization. Finance or legal may require detail-heavy updates, whereas sales may prefer bigger-picture plans accompanied by a list of action items.

Tip #3: Behavioral data, like that offered by the [PI Behavioral Assessment](#), can help your clients create an agile, fast-moving crisis response team. Encourage your clients to appoint executives who'll consider the available data and take quick action to lead the team.

Tip #4: Tools like the [PI Strategy Assessment](#), paired with a consulting session like PI's Leading Through Crisis, can help you shed light on which strategic priorities still make sense in light of the downturn—and where clients should refocus their efforts.

Tip #5: Tensions can run high during a crisis. This is your chance to facilitate and provide your clients with data and facts. By positioning yourself as a mentor and guide, you can help them develop the self-awareness needed to build a team suited to lead through times of uncertainty.

Tip #6: Clients should encourage managers to tailor their leadership to employees' needs. You can use a tool like [PI Group Analytics](#) together with a consulting workshop, like PI's Team Building Through Change, to help managers lead with resilience during times of uncertainty.

Tip #7: Help clients understand the behavioral drives and needs of team members so you can uncover areas where leadership and communication has faltered. Repair fractured relationships by combining team analytics with a consulting session, like PI's Performing Under Pressure.

Tip #8: Some teams perform well in an office setting but struggle doing remote work. Using behavioral data from tools like [PI Team Work Styles](#), you can quickly assess the state of these teams, determine where communication has failed, and provide actionable solutions.

Tip #9: Using an engagement tool like the [PI Employee Experience Survey](#), you can help your clients pinpoint where there is the most pain and friction within the organization. From there, you can help them focus their attention and resources to addressing these issues.

Tip #10: When hiring from within, clients should act as if they're hiring externally. Stakeholders must first determine the role's [requirements](#). Then, they determine the appropriate behavioral and cognitive benchmarks. From there, they select candidates who best fit the job target.

Pre-work

Companies that develop thoughtful internal communication plans can swiftly address employee fear and anxiety to maintain focus despite a rapidly changing environment.

Before you jump into problem-solving mode, the first order of business is to develop a thoughtful internal messaging plan. In a downturn, a company's ability to communicate with employees in a way that helps them feel valued and motivated in spite of change and uncertainty is critical. Lead with openness, transparency, and honesty.

Communication is an essential part of an effective, deliberate crisis response plan. Executives should take simple steps to stay ahead of events and retain control of their operations. These steps are derived from proven disaster management best practices.

Senior leaders need to address employee fear, anxiety, and vulnerability head-on and early. Even if you don't yet know what course to take, that's OK. Don't shy away from initiating the difficult conversation. During a crisis, you can't assume you'll have time and means to bring everyone together. It's important to have clarity much sooner.

Your people will ask you hard questions: *Do I have a job? What's the company forecast?* Avoid the temptation to be falsely positive. Get an answer prepared. Tell them, "This is our philosophy. These are our guiding principles. We don't yet know the full impact on our business. But trust we're going to make decisions with these guiding principles at the forefront." And don't just say it, follow through. Let them see that they can trust you to do what you say you'll do.

It's more critical now than ever to have your employees' trust. That's because having trust in the organization's senior leaders is a top driver of engagement. If your workforce doesn't trust you, they won't be emotionally invested in your company's success. But if they do trust you, they'll care enough to give it their all—when you need it most.



Consultant Tip

Encourage your clients to tailor their communication style to the behavioral needs of each part of the organization. Finance or legal may require detail-heavy updates, whereas sales may prefer bigger-picture plans accompanied by a list of action items.

With a rapidly-evolving pandemic like COVID-19, decisions need to be made quickly. Keep up the frequent, candid communication over time to make sure people feel informed. This is especially important as you transition to remote work. Good communication creates a sense of family and community.



“As we navigate through COVID-19, we committed to daily communication from our CEO, always an email and usually a video as well.”

Tracie Sponenberg, Chief People Officer at The Granite Group

Sponenberg and CEO William Condron shared their personal cell phone numbers and welcomed all 600 employees to call anytime, for any reason. “Making sure our teams feel safe and comfortable, and that they continue to trust us, requires those of us in leadership roles to step up and be present and available, all the time, in many ways.” Some employees are wired to work with and through others; they’ll need extra support and check-ins during this time. Behavioral data will help you understand how each employee reacts under pressure so you can tailor communications accordingly.

Ways to enhance communication with your workforce during a crisis.

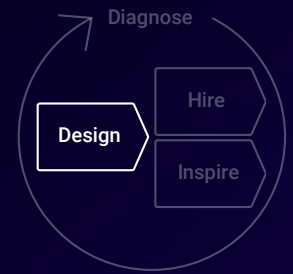
- Designate a new Slack channel for updates.
- Record and share video updates.
- Send a weekly newsletter via email.
- Host virtual town halls.
- Share a FAQs document.
- Live stream all-company meetings.
- Upload new process docs to your internal site.
- Host more frequent check-ins or stand-ups.

If you have a plan in place for internal messaging throughout the duration of the downturn, check the box below. Now it’s time to begin your talent optimization journey.

Help your client take action

- ☐ Develop a thoughtful internal communication plan.

Design



Make the hard decisions on which capabilities to retain and which to let go—to support strategic realignment and ensure an adaptable strategy.

When looking to stave off an economic downturn, you need to realign your strategy and refocus on your core operations. An adaptable strategy will see you through turbulent times—and hopefully, make you stronger in spite of them.

At this point, you may have the following questions:

- What immediate actions do we take amidst a crisis?
- Which leaders should we entrust to guide us through this?
- How might this downturn impact current job functions?
- Should we consider reductions in spending or workforce?

Recalibrating your strategy will likely involve tough decisions. Senior leaders will be tasked with assessing the strength of the business—and, by extension, the underlying components, resources, and people under their purview. They'll be faced with having to make decisions about which capabilities to retain and which to let go.

See next page for steps you can take to realign your strategy



Assemble a crisis response team.

Few companies see a financial crisis coming. Even if they do, chances are they won't be able to avoid the impact in its entirety. In either case, you can't lament the lack of foresight. Instead, take immediate action to ensure you're ahead of future hardships. That means developing contingency plans and a robust governance to execute them.

When news of the COVID-19 outbreak began circulating in early 2020, the leadership team at The Predictive Index knew it had to plan for potential shockwaves. The executive team quickly gathered to discuss the impact the virus could have on the company's employees and business performance. Then the team worked swiftly to create contingency plans, which included an internal communications plan and a remote workforce mandate and support plan, among others. When forming your own crisis response team, your executive team must:

Be aware of your behavioral tendencies: All executives should be aware of their natural behavioral biases (e.g., risk tolerance, speed of action, etc.) and how they may amplify under pressure. Awareness of one's self and of others will improve team collaboration, communication, and decision making.

Understand what behaviors are needed: An effective and balanced crisis response team requires a variety of behaviors. For example, although the leader acts as a facilitator, they make the ultimate call and thus must be able to make decisions quickly based on little information. On the other side of the spectrum, the team needs representation from legal and risk perspective: these members must move slower and have higher risk aversion to protect the organization.

Be clear about governance and decision making: Although the crisis response team should have representation from across the organization, not everyone should have equal decision-making power. It's imperative that everyone understands their role and decision-making authority. Jackie Dube, SVP of Talent Optimization at The Predictive Index, said, "For decision making, we started by collecting perspectives of a broad group, then a smaller group, and eventually, it was me, Mike [CEO], and Daniel [President]."

The primary objective of the crisis response team is to evaluate best and worst case scenarios. "You really have to attempt to predict the future, analyze scenarios—better, worse, way worse," said Mike Zani, CEO at The Predictive Index. "What could happen? What could go wrong? And what are things that are within our control to fix those problems?"



Consultant Tip

Behavioral data, like that offered by the [PI Behavioral Assessment](#), can help your clients create an agile, fast-moving crisis response team. Encourage your clients to appoint executives who'll consider the available data and take quick action to lead the team.

Help your client take action

- ☐ Form a crisis response team.
- ☐ Map out best-case and worst-case scenarios.

Adapt your business strategy.

Once a crisis hits, your task force must stay ahead of it. That means reforecasting revenue and reexamining costs. It also means reprioritizing the work to be done and reimagining how your teams will do this work.

As you weigh the possible paths forward, revisit your existing business strategy. Start by identifying which strategic goals no longer make sense—then focus on a small number of critical priorities.

Your company could sit at the forefront of innovation and cutting-edge technology. But when a crisis hits, you may not have the luxury to continue these high-risk, high-reward ventures. Instead, you may decide to refocus on retention of existing customers and selling existing products. It may run counter to what you’ve done in the past. But until you stabilize yourself in an uncertain market, rely on what you know and can better predict.

In a high-stakes, high-pressure scenario, time is of the essence. You need to make a leadership call regarding how to adapt the business strategy in light of the crisis, and you need to act on it quickly. This decision likely won’t be unanimous—other executives will have their own assumptions and beliefs on how to manage the crisis. But whatever the leadership team decides on the recommendation of the crisis response team, other executives will be expected to agree or to “disagree and commit” and move to execution without delay.



Consultant Tip

Tools like the [PI Strategy Assessment](#), paired with a consulting session like PI’s Leading Through Crisis, can help you shed light on which strategic priorities still make sense in light of the downturn—and where clients should refocus their efforts.

Help your client take action

- ☐ Adapt business strategy in light of changing circumstances.

Assess the behavioral fit of your leadership team.

Adapting your business strategy is important, but execution is what determines success or failure. That begins with assessing senior team/strategy fit. *Which executives are behaviorally suited to the task at hand? Who may struggle to perform while trying to execute the revised strategic priorities?*

You may be tempted to assess the team based on gut intuition. But there's a better way to assess fit. Behavioral data can be quite helpful in understanding what activities, roles, and responsibilities individuals are naturally suited for. Using tools like the PI Behavioral Assessment™, you can identify an individual's [behavioral drives](#) and needs—an objective way to determine how natural of a fit they are for a given role.

For example, say your executive team consists largely of venturesome, big-picture thinkers. That might be a good fit for a company that's focused on creating new products and capturing market share. But if your revised business strategy dictates you conserve resources and increase existing efficiencies, you'll want your executives to exercise the exact opposite behavior; you need a team that's more cautious and focused on the finer details.

Also, strategic alignment tools like the PI Strategy Assessment™ will visually map the native behaviors of a team to a strategy. That way, you can see how naturally-suited your leaders are to execute your strategy—and where there are gaps.

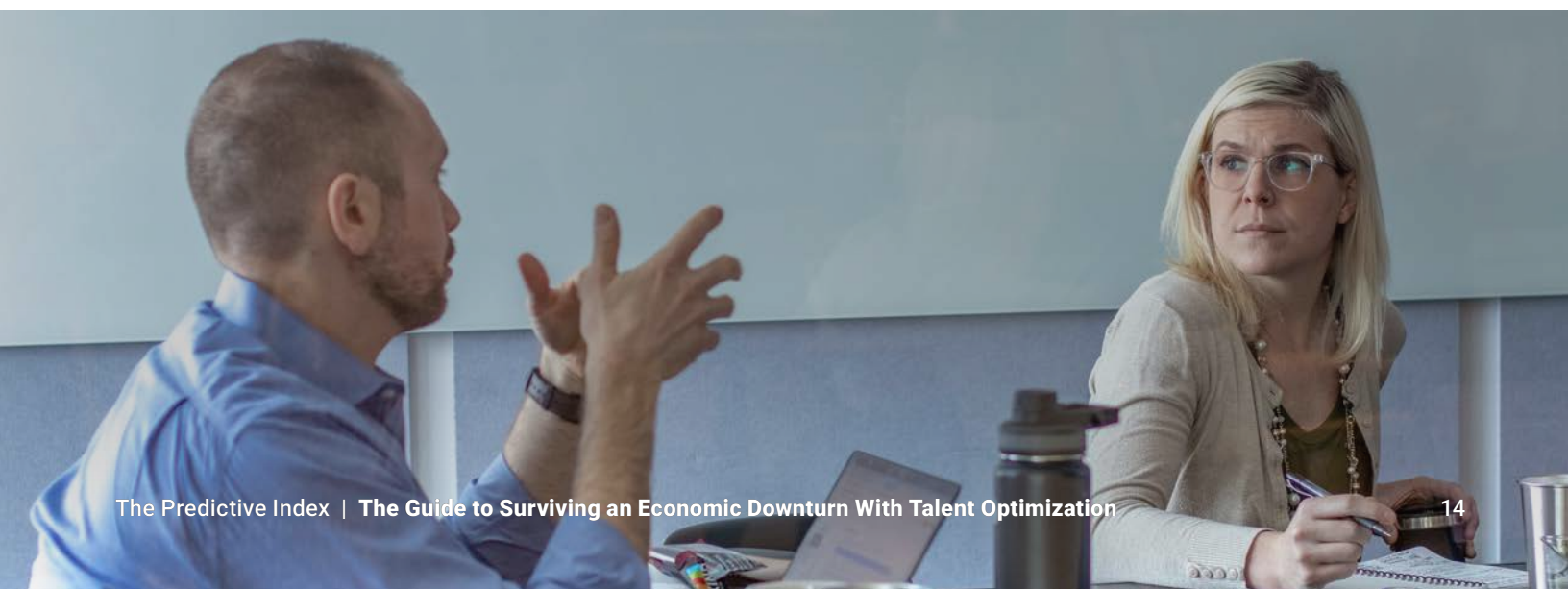


Consultant Tip

Tensions can run high during a crisis. This is your chance to facilitate and provide your clients with data and facts. By positioning yourself as a mentor and guide, you can help them develop the self-awareness needed to build a team suited to lead through times of uncertainty.

Help your client take action

- ☐ Examine behavioral makeup of the senior team.



Leverage unique strengths and quickly address leadership gaps.

Once you've identified leadership gaps, take swift action to address them.

The size and scope of the leadership changes you make will vary on the size of your strategic effort. It could be as simple as pulling one executive off of a certain initiative and swapping them with another. Or, you may need to make more sweeping changes.

If it becomes clear you don't have the right people on the current leadership team, look within. Even if you've implemented a hiring freeze, you can identify and promote high-performers who are up to the task. Ask yourself who you could lean on for the next six months to a year.

Unfortunately, in a crisis situation, you may not even have the time to internally promote. So it becomes increasingly important for senior leaders to be self-aware. In doing so, they can learn to stretch their unique behavioral strengths to fit the current need and should make their caution areas known to others for support.

Think back to the example of the executive team of innovators and macro-level thinkers. It will obviously take time to pivot to a more detail-centric team. But self-awareness and accountability allows the existing executives to bridge the gap in the interim.

Agility is the name of the game in an economic downturn. The better your team is predispositioned and prepared to continuously learn and adapt to their surroundings, the more likely you are to successfully navigate the changing tides.

Help your client take action

- ☐ Address gaps between leaders and strategy.
- ☐ Increase senior team self-awareness.

Modify your operating model.

Updating your business strategy doesn't mean uprooting your operating model. But if your plan involves reductions in force or role changes, it does mean consolidating and altering existing teams. In doing that, you create new managers and working relationships.

A revamped operating model can help provide needed clarity during this time of uncertainty. When assessing the need to tweak your structure, ask these questions:

- What existing roles will cease due to the crisis?
- Likewise, what new functions have opened?
- Which people are behaviorally fit for these new roles?
- Is restructuring needed to reallocate this talent and minimize cuts?

Assume the crisis has idled your entire event marketing team. At the same time, you must double down on client outreach to maximize retention. If so, could the events team handle the outreach?

Most likely, the solution won't be cut and dry. You may have to search elsewhere within your company to find the right people that match your strategy's needs. Thankfully, people data can add structure to the process and help you uncover the "hidden" strengths of your workforce.

Much like your approach to revamping the leadership team, a data-driven process removes emotion and bias from the equation. This helps you make tough decisions quicker, with improved clarity and greater accuracy.

Help your client take action

- ☐ Consolidate and alter teams as needed.
- ☐ Identify the right internal talent to fill new roles.



The problem with a “downsizing” mindset

It's common to refer to the reduction process as downsizing. After all, you're paring down various costs—from overhead to payroll—to keep the ship upright. But when you focus solely on whom to cut and which functions to eliminate, you ignore what's most critical to your success: the people you *keep*. It's important to determine how you will realign your organization around the resources you retain.



"You shouldn't view it as downsizing, but rather as 'rightsizing.'"

Dan Courser

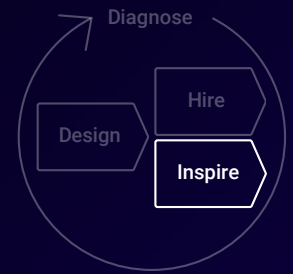
Talent optimization consultant and founder of Predictive Synergistics Systems

It's so important to have clarity when responding to a crisis scenario. Defining a clear path forward will empower you to mobilize your talent and get aligned around the most critical issues.

Setting the foundation for future recovery

When times are tough, it's more important than ever to be strong. By refocusing your efforts and making the difficult calls needed to push ahead, you set the foundation for future success.

Inspire



Empower managers to be steady, effective leaders—rebuilding collaboration and individual performance to ensure resilient teams and individuals.

You've come up with a revised business strategy. Now you must inspire your people to push through times of uncertainty.

At this point, you may have the following questions:

- How can we coach and develop our managers to step up and effectively lead hard-hit teams?
- How do we manage the organizational complexity created by remote work?
- How can we rekindle collaboration and communication within and across teams?
- How do we rebuild our culture to unite employees around shared values?

The Inspire aptitude of talent optimization is about empowering employees to manage themselves and their relationships with others. In an economic downturn—and especially with a crisis like COVID-19—people are stressed and relationships often become frayed. Communication breaks down, collaboration deteriorates, and productivity may be badly impacted. Anticipate and act on these changes before they become the new norm for your organization.

Empower employees to be resilient.

Resilience is what will hold your business strategy together, even when times are tough. But resilience also applies to the people of your organization. When the chips are down, every action or decision your people make comes under scrutiny. Everyone's time becomes more valuable—because you now have fewer people than you expected. And this will test your people's mettle. According to Jan Bruce, CEO of meQuilibrium, "Resilience is the ability to manage through stress and adversity—then rebound and optimize. It's about managing through these situations and not letting them manage you."

How, then, do you improve employee productivity in times of stress? How do you improve efficiency to make every work hour count? You do so by developing and empowering your employees, beginning with your managers.

See next page for steps you can take to empower and inspire your talent



In a crisis situation, it's critical to empower people to lead with confidence and self-awareness. If they're governed by fear and uncertainty, people will bicker, argue, and make the wrong decisions.

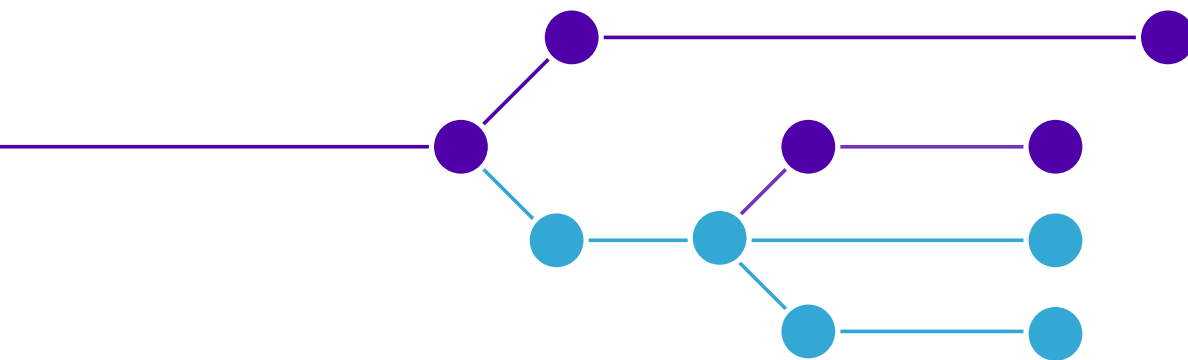
Maintain career pathing.

Traditionally, career pathing is an opportunity to identify and create new roles as your organization grows. It's also a way to incentivize employees and reward high performance. The dynamics change significantly in a crisis scenario. You may have a hiring freeze in place. Without the ability to bring on new employees, you don't have the same ability to promote vertically and fill in as needed.

But that doesn't mean you can't create opportunities for individuals to grow. As mentioned in the [Design section of this guide](#), a change to your business strategy can eliminate existing functions and create new ones. These roles give employees an opportunity to prove themselves and develop in a new part of the business.

Other opportunities may open up as senior leadership assesses the behavioral fit of its team members. Just because hiring has stopped doesn't mean the organization won't need new leaders in new places.

Even when you don't have open positions, be creative to retain and engage your high performers. Assume a high-potential manager finds their role scaled down after your strategic realignment. If you create an opportunity for that individual to work in a role that speaks to their personality and behavioral traits, you increase the odds they'll give you higher-quality output.



Help your client take action

- ☐ Create opportunities for individuals to grow and develop leadership capacity.

Develop self-aware leaders.

Leadership opportunities can be equally valuable. For one, they provide another means of engaging employees. But they also upskill your people at a time your organization needs it most. When developing leaders, it's important to teach the value of self-awareness. Using behavioral data, you can objectively walk employees through their unique behavioral strengths and blind spots. You can then compare their behavioral makeup to others within the organization. A 360 review can also work in a pinch if you have employees nearing their review. You can even use a [leadership rubric](#) to assess an employee's current leadership capacity.

Having self-awareness is critical to leading effectively. When you manage someone who's similarly wired, the process is intuitive. You likely have the same communication style, and your direct report may enjoy your natural leadership style. But when you're wired differently, friction can arise. Left unchecked, this can lead to disengagement. In times of uncertainty, it's more important than ever for leaders to anticipate friction and work to avoid it. As organizations adjust to working remotely—some for the very first time—the need to build strong relationships becomes even more crucial. Dr. Matt Poepsel, SVP of Product at The Predictive Index, stressed the importance of building this rapport:



"We can't pretend that everyone reacts the same way in times of crisis. For a manager, having the right behavioral insight about your people so you can meet them where they are—that's incredibly important. Especially when it's so easy to close yourself off and lose sight of that personal connection."

Dr. Matt Poepsel, SVP of Product at The Predictive Index

If you wish to ease the burden placed on managers, tools like the PI Management Strategy Guide give you the ability to teach managers how to tailor their communication, feedback, and leadership style to meet different individual needs. To facilitate honest, regular feedback between parties, encourage managers to hold a [1-on-1 meeting](#) at least twice a month with each direct report. Given the current remote landscape, you might advocate for weekly meetings—or even more frequent ones than that.



Consultant Tip

Clients should encourage managers to tailor their leadership to employees' needs. You can use a tool like [PI Group Analytics](#) together with a consulting workshop, like PI's Team Building Through Change, to help managers lead with resilience during times of uncertainty.

Help your client take action

- ☐ Build manager self-awareness.
- ☐ Empower managers to tailor communication and leadership style.

Inspire high-performing teams.

During times of rightsizing and reorganization, consolidation of teams is inevitable. Even when the changes are seemingly small, each team alteration can change dynamics based on new co-worker relationships. And, if you're not careful, the performance of these groups can falter. At a time when resources are so valuable, every team must be optimized to reach its full potential. Using team dynamic tools like PI Team Work Styles, you can aggregate behavioral data across entire teams or departments. This lets you visualize which behaviors team members share—and which ones they don't. That way, you can adjust your teams to maximize their intended function.

Consider a company looking to implement a new system. When looking to build a high-performing team, the organization gathered its most process-oriented employees and sent them off to accomplish this task. Unfortunately, the team fell short of expectations.

In this case, analysis of team dynamics might reveal the team consisted solely of reflective, reserved individuals. This, in turn, led to communication struggles. To solve the issue, the team's leader could add an individual who's more outgoing—even if they're not as process-oriented—to open conversations and keep the team aligned and on track.

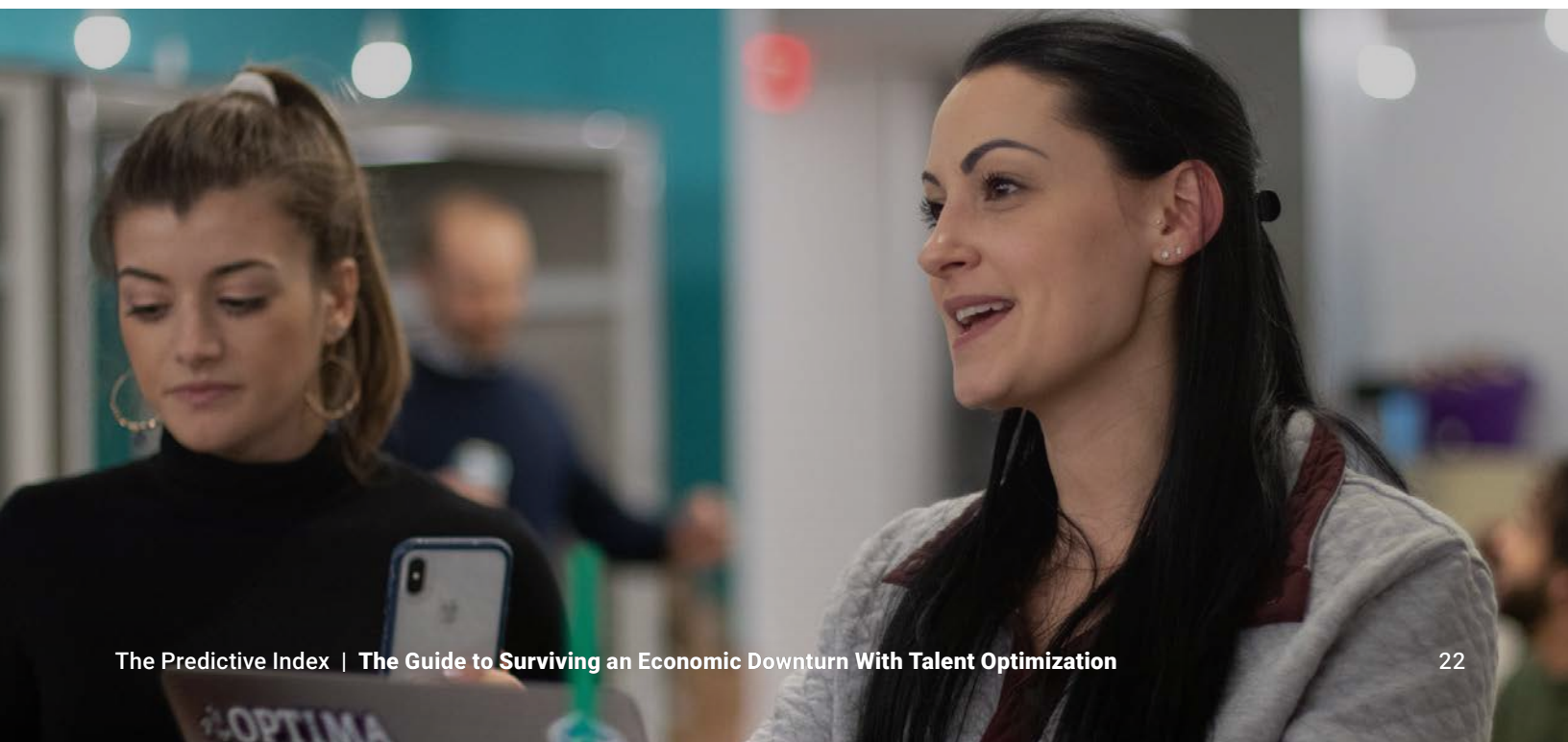


Consultant Tip

Help clients understand the behavioral drives and needs of team members so you can uncover areas where leadership and communication has faltered. Repair fractured relationships by combining team analytics with a consulting session, like PI's Performing Under Pressure.

Help your client take action

- ☐ Identify and redesign for communication gaps created among team members.



Protect and adapt your culture.

Financial hardship will change your culture. As you cut down on discretionary spending and shore up resources, many company perks—like paid lunches and outings—will be cut. Keep chipping away, and you expose the “raw culture” of your organization. This consists of your cultural norms—i.e., your core values and expected behaviors. Despite its reduced presence, this culture still has a critical role to play in fostering the engagement of your people.

Your culture is what employees look to for stability and a shared sense of community. It’s what binds your people together—even in times of hardship and discomfort. So it’s incredibly important to protect your culture when and where possible. Do so by reinforcing and rewarding behaviors aligned with your mission. Even when reducing spend, look to provide learning and training opportunities. Encourage employees to shout out those who reflect your core tenets and display needed leadership competencies.

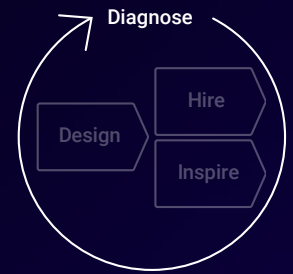
But you should also look to adapt your culture where needed. When executing a revised business strategy, your culture can encourage employees to act in favor of your desired goals. To accomplish this, you want your culture to recognize and reward behaviors associated with your strategic emphasis.

Regardless of the culture you pursue, make sure you’re clear about your cultural norms. If you’re altering these norms, you’ll want to be candid about *why* you’re doing so and how it’ll help the business. This becomes a delicate balancing act. Some behaviors need to change. At the same time, companies should take care to highlight core behaviors that will never change, even as the strategy shifts.

Help your client take action

- ☐ Reinforce and reward core values and expected behaviors.
- ☐ Recognize and reward behaviors associated with the new strategic emphasis.

Diagnose



Measure and act on employee engagement data—to protect productivity and ensure the resilience of your operating model and culture.

As you restructure your organization, employee engagement will take a hit. Once the tough decisions have been made, you'll need to identify and fix pain and friction. An employee experience survey can help you:

- Allocate your resources and attention to the jobs that need it most
- Determine where managers need to be coached to step up
- Identify where trust and culture have eroded most within the company
- Restore high-performing teams where collaboration has stalled

Measuring engagement right now isn't just about identifying low scores or pain points. It's safe to assume everyone at your company is struggling on some level with this new normal. People aren't adjusting solely to remote work, but also close quarters and a mixed bag of emotions derived from unprecedented social isolation. As Zani said, "There are people who live in 400-square-foot apartments and they're not allowed to get out. They're not allowed to go for a meal. They might not even have a full kitchen, and now they're working from home."

Some personalities and work styles may adjust more readily than others. The adjustment can manifest in many ways, including a subconscious pressure to be "always on" that can lead to a whole new series of concerns (i.e., lack of balance, and eventual burnout). So it becomes a matter of taking frequent temperature checks and protecting productivity—initiatives more easily tackled if a healthy culture is already in place.

See next page for steps you can take to diagnose employee engagement



Determine what remote engagement looks like.

Not every organization is fully remote right now, but everyone is experiencing some form of culture shock. That will weigh more heavily on some corners of the business than others. In order to pinpoint where engagement may be most heavily impacted, start with questions like:

- What is causing the initial friction?
- Are there logistical challenges now that didn't exist before?
- Did trust in leadership take a big hit because of a decision?
- Are employees feeling like they don't have the resources they need?
- Are managers pressing too hard?
- Are people turning on each other?

Ask yourself, and your managers: *Is our employee experience also in a recession?* If the answer is yes, that's understandable. But to optimize talent under these circumstances, executive teams must efficiently allocate their attention. That means getting the most immediately pertinent facts and data around where roles may have changed, which teams are feeling the most pressure, and where culture might be fraying. Armed with that information, you can target the areas of the organization where paralysis or dysfunction are potentially highest.



Consultant Tip

Some teams perform well in an office setting but struggle doing remote work. Using behavioral data from tools like [PI Team Work Styles](#), you can quickly assess the state of these teams, determine where communication has failed, and provide actionable solutions.

Help your client take action

- ☐ Determine what remote engagement looks like.

"If you think about a recession, it's about financial capital downturns and how to manage them. Diagnose is about human capital downturns and how to manage those. Measuring engagement helps you determine whether your talent will come out of the recession energized and roaring or ready to leave you."

Dr. Greg Barnett, SVP of Science at The Predictive Index

Focus on the four underlying engagement drivers.

Companies may be cutting back on some of the perks used to foster high engagement—the free lunches, the ping pong table—as well as less tangible “extras,” such as professional development workshops. As a result, employees will be less likely to overlook the other forces of disengagement. In order to maintain morale, you’ll have to focus on the true underlying drivers of productivity and engagement: **job fit, manager fit, organizational fit, and team fit.**



“What do my best and brightest need in order to feel emotionally connected to their job, their manager, their team, and this organization, amidst all the change and uncertainty? I believe each leader’s ability to answer that question is the best predictor of how quickly the organization will bounce back after the downturn.”

Heather Haas, President of ADVISA and talent optimization consultant

Measuring engagement is doubly important for organizations that are forced to rightsize. In doing so, dynamics and attitudes will inevitably change, reflected in the moods of those still on hand. And those are the people who will be most critical to moving the company forward. “If you’re going to do a reduction in force, you’re effectively asking people to do more with fewer resources,” Zani said. “So you need to make sure that performance is super efficient, and they’re highly engaged.”

And don’t forget to show your people genuine appreciation. It’s as easy as sending an email of encouragement. As Sponenberg said, “Many of us have kids abruptly home for the foreseeable future. Leaders, you undoubtedly have scared members on your team who are working really hard for the company, while trying to figure out how to manage things at home. Thank them. Make sure they know how much you appreciate them.”

Redefine what metrics matter most.

Most businesses monitor much of the same data: sales figures, qualified leads, NPS, P&L, etc. And while these may remain critical barometers of business health, they exist largely apart from people. Now more than ever, complementing these business metrics with people metrics—namely employee engagement data—is essential.

By collecting and analyzing this form of people data and then making necessary adjustments upfront, you're more likely to find a more productive and engaged workforce. Doing so won't change the macroeconomic factors at play, and uncertainty will still linger. But you're much better off addressing people problems quickly and showing employees you care, rather than allowing them to build up and fester.

Help your client take action

☐ Redefine what metrics matter most.



Measure employee engagement data.

It's okay if you're measuring engagement reactively—everyone is right now. The point is that you do it. One of the non-negotiable keys to surviving a downturn is that you gauge how your workforce is feeling emotionally. Start with whatever is the most efficient, cost-effective manner of gathering the data you need. That may mean:

- Simple spreadsheet programs with analysis features (e.g., Excel or Google Sheets)
- More sophisticated analysis tools like Domo or Tableau
- Questions addressing the forces of disengagement (job, manager, organization, team)
- A talent optimization platform such as PI

Employee engagement surveys and tools like the PI Employee Experience Survey™ can assist by measuring engagement at both the team and organizational levels, asking questions that map to job, manager, organization, team—and even providing customized action plans. Ideally, you'd measure at [three-month intervals](#) so you can determine whether your talent is coming out of the downturn energized, disengaged, or somewhere in between.

If you don't have access to a formal survey, you can create one via a tool like Google Forms or Survey Monkey. Here's a list of [23 questions](#) to start you off. But it's important to tailor questions based on what's applicable and realistic for your organization; *don't* collect feedback and then do nothing with it. Instead, prioritize based on the magnitude, relevance, and breadth of responses. Your team can then determine an appropriate course of action. Document this action plan and update it over time.

Whatever improvements you decide to implement, count on resistance. But if you've acted promptly, transparently, and with the best interests of both your people and business in mind, pushback will be slightly easier to absorb. Because there's a plan, you'll be able to articulate your rationale and connect it to the next steps—an approach most employees will respect.



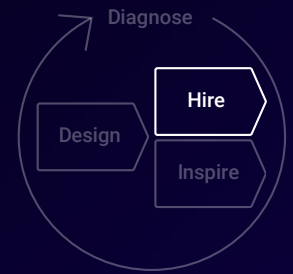
Consultant Tip

Using an engagement tool like the [PI Employee Experience Survey](#), you can help your clients pinpoint where there is the most pain and friction within the organization. From there, you can help them focus their attention and resources to addressing these issues.

Help your client take action

- ☐ Measure employee engagement data.
- ☐ Create a plan for checking engagement every three months.
- ☐ Create an action plan, keep it updated as you collect more data, and track progress.

Hire



Re-evaluate job requirements in light of shifting circumstances and pivot from higher-volume hiring to high-stakes hiring.

With a handful of notable exceptions, hiring is an afterthought for most businesses right now. Companies that can afford to may have implemented a hiring freeze, rather than taking more drastic immediate action. Hiring freezes are navigable, if delicate, with the right set of priorities and guidelines. Those in the hardest-hit sectors may have no other choice than to lay off some or all of their employees. In either scenario, some sort of structural introspection is mandatory.

Proactively communicating the terms of a freeze—both internally and to in-limbo candidates—should be the first order of business. Beyond that, companies halting their recruiting can:

- Prioritize who's critical to hire when the time comes.
- Re-evaluate job requirements in light of shifting circumstances.
- Pivot from higher-volume hiring to high-stakes, hyper-targeted hiring.
- Hire from within.

Each hire, even if it will be delayed, is now that much more critical. That places a premium on truly understanding candidates, interviewing them more rigorously, and spending more time thinking about how their personalities and behaviors will mesh with the established culture. **Don't view hiring solely through the lens of external recruiting; hire from within.** By hiring from within, you can fill immediate gaps while also more efficiently utilizing the staff that's on hand.

See next page for steps you can take to tackle high-stakes hiring



Re-evaluate job requirements.

“Perhaps you’ve consolidated two functions to save money. What’s the nature of that new job? How do you get clarity about the behavioral requirements of the job? You no longer have the luxury to look outside the organization,” Poepsel said, “but you can still look at your internal people through the same lens you would if you were hiring external candidates.”

You may also have people whose roles have changed, whether out of rightsizing necessity or broader changes in business strategy. Ideally, these people were hired for organizational fit, so leveraging them effectively despite the circumstances is still very possible. It’s all about understanding the behavioral and cognitive job requirements and identifying the right person for that job.

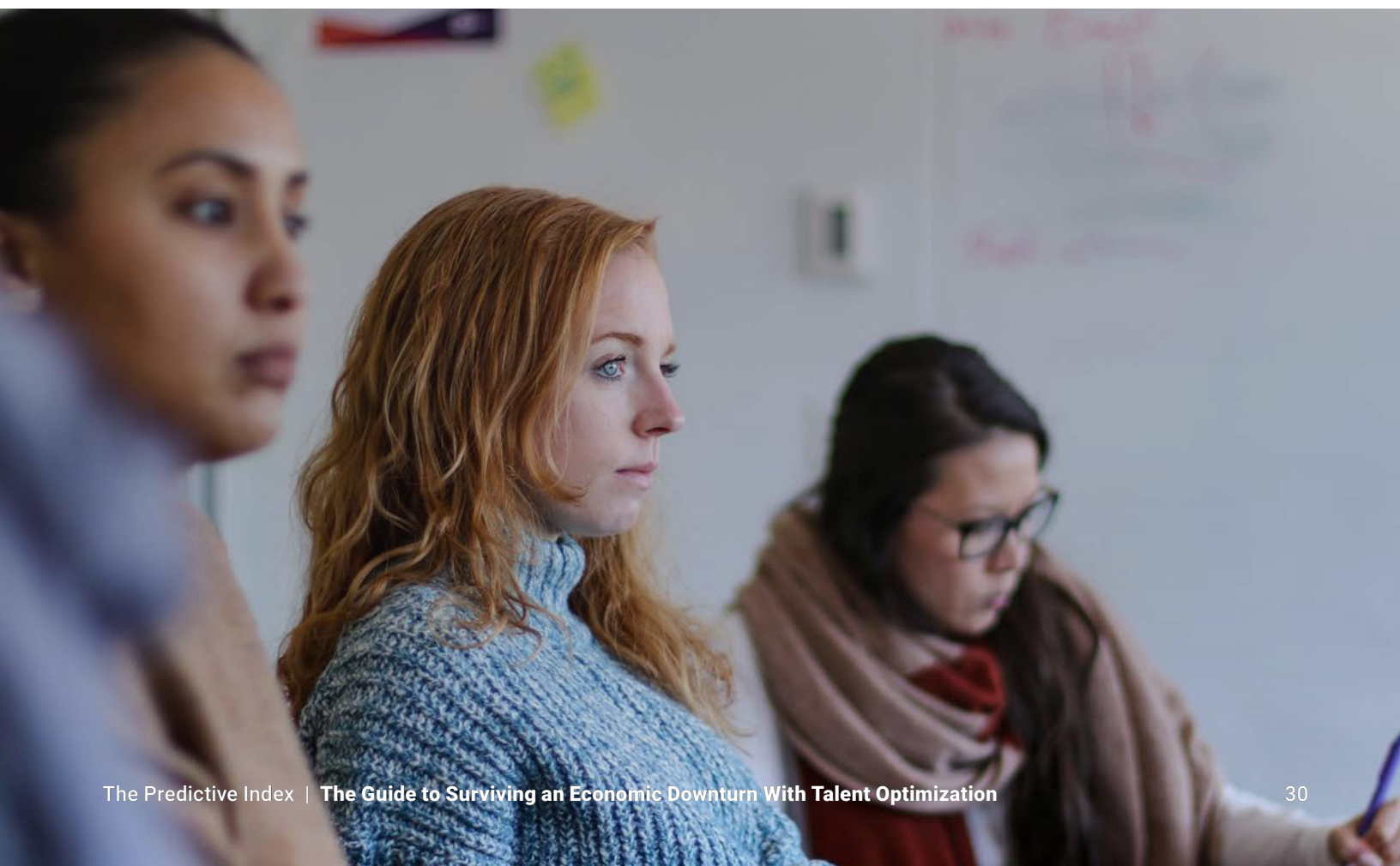


Consultant Tip

When hiring from within, clients should act as if they’re hiring externally. Stakeholders must first determine the role’s [requirements](#). Then, they determine the appropriate behavioral and cognitive benchmarks. From there, they select candidates who best fit the job target.

Help your client take action

- ☐ Re-evaluate job requirements in light of shifting circumstances.



Hire surgically for still-open positions.

Those whose pipelines remain open, whether because of service need or industry opportunity, still must recruit carefully. In fact, the risk of onboarding organizational misfits may be greater with so many applicants potentially crossing industries or seeking an immediate answer to their unemployment.

Supply chains remain vital to commerce in its modified form, as evidenced by Amazon's move to [hire 100,000 new workers](#) amidst an otherwise bleak employment landscape. Demand for delivery drivers, streaming services, and remote technology—to name a few—has exploded as well. Recruiters for those positions face a different challenge: an oversaturated candidate market. Companies are still going to need to make strategic, high-stakes hires, whether it's now, in six months, or a year down the road. These could be for executives experienced in leading turnarounds. Or more immediately, these searches can fill positions created out of shifts in strategy: new supply chain experts, digital transformation pros, cloud migration specialists, etc. Eliminating some of the risk associated with these critical appointments is paramount at this juncture.

To this point, there's been concern about a talent scarcity. Now, due to layoffs in other industries and the narrow scope of job opportunity, we could see a scenario in which there are too many applicants to manage. **To hire selectively, how do you find the best possible person out of 1,000s of resumes, not dozens?**

Faced with this relatively fortunate dilemma, you can take the opportunity to refine your hiring process. Equip your company leaders to identify and land the top talent based on the right criteria. Collect data on candidates, not only regarding their resume but also team and cultural fit. Prioritize the best fits and schedule their interviews, but in doing so, be sure to heed COVID-19 health guidelines. If your organization can't conduct interviews remotely, be sure to avoid contact and maintain a safe distance. Caught up in Coronavirus chaos, it might feel like a rush to fill a few fleeting positions. But in reality, organizational fit is imperative right now. If you're in the fortunate position of adding to your headcount, do so in a manner that will help you capitalize on market opportunity, with a person who will last long beyond this crisis and its acute job market.

Help your client take action

☐ Discern demand as it applies to the organization.



Reorganize priorities according to new business conditions.

Meanwhile, while recruiting may become a more passive exercise, HR teams can use this critical juncture to adapt and become more efficient. That could mean:

- Tweaking the interview process to include new parties
- Better defining and communicating existing job requirements
- Soliciting additional stakeholder input
- Pinpointing remaining behavioral and cognitive needs
- Creating compelling job ads for after the freeze
- Ensuring proper documentation with candidates stuck in the pipeline
- Improving the overall hiring process

If recession history tells us anything, it's that [hiring can be a scramble](#) when the market rebounds. It will occur in fits and starts, and preparedness for those jagged upticks will win out. "It comes on quickly," Zani said. "When you do open a position, hundreds of people apply for it. Now you've got a hundred people at the top of your funnel and you still want the best person."



"Talent optimization is future-proof, and it's also recession-proof. If you have a new business strategy now, that means you must change your people strategy and align the two."

Jackie Dube, SVP of Talent Optimization at The Predictive Index

Some [8.7 million jobs were lost](#) during the Great Recession of 2008, over a span of roughly 18 months. The national unemployment rate vaulted from 4.6% in January 2007 to 10% in December 2009, turning the dynamics of the job market upside down. If that history is any harbinger of what's to come, HR teams should expect at least 10 times more resumes and applications than they did to start 2020. Processing this sort of volume will be daunting, especially for those who are comparatively short-staffed themselves. Finding a scalable method of screening all these new applicants will be vital, and that's a task you can complete more easily with a talent optimization platform.

Help your client take action

☐ Reorganize priorities according to new business conditions.

Conclusion

Running a company during a downturn and health crisis is an immense challenge that will test character and skills. Those who lead with humility and pragmatism can find a silver lining, and empower their organization to pull through and thrive. Keep that vision and positivity—tempered by reality. Don't focus on the negatives or place blame. Trust in talent optimization. And let the storm show your mastery.

See the next page for the Ultimate Checklist: Surviving an Economic Downturn With Talent Optimization. Use it with your clients as you guide them through this process.



Ultimate Checklist:

Surviving an Economic Downturn With Talent Optimization

As you apply your new insights within your company, use the checkboxes to stay on track.

Pre-Work

- ☐ Develop a thoughtful internal communication plan.

Design

- ☐ Form a crisis response team.
- ☐ Map out best-case and worst-case scenarios.
- ☐ Adapt business strategy in light of changing circumstances.
- ☐ Examine the behavioral makeup of the senior team.
- ☐ Address gaps between leaders and strategy.
- ☐ Increase senior team self-awareness.
- ☐ Consolidate and alter teams as needed.
- ☐ Identify the right internal talent to fill new roles.

Inspire

- ☐ Create opportunities for individuals to grow and develop leadership capacity.
- ☐ Build manager self-awareness.
- ☐ Empower managers to tailor communication and leadership styles.
- ☐ Identify and redesign for communication gaps created among team members.
- ☐ Reinforce and reward core values and expected behaviors.
- ☐ Recognize and reward behaviors associated with new strategic emphasis.

Diagnose

- ☐ Determine what remote engagement looks like.
- ☐ Redefine what metrics matter most.
- ☐ Measure employee engagement data.
- ☐ Create a plan for checking engagement every three months.
- ☐ Create an action plan, keep it updated as you collect more data, and track progress.

Hire

- ☐ Re-evaluate job requirements in light of shifting circumstances.
- ☐ Discern demand as it applies to the organization.
- ☐ Reorganize priorities according to new business conditions.