# The role of HR in uncertain times

A report from the Economist Intelligence Unit Sponsored by Oracle





# **Preface**

The role of HR in uncertain times is an Economist Intelligence Unit report sponsored by Oracle. The findings and views expressed in the report do not necessarily reflect the views of the sponsor. The Economist Intelligence Unit's editorial team conducted the interviews and wrote the report. Elizabeth Bennett was the author of the report and Gilda Stahl was the editor. Our thanks are due to all of the interviewees for their time and insight.

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# **Executive summary**

The current business environment is demanding a great deal of workers around the globe. The practice of doing "more with less" has become the modus operandi in most businesses and business areas, perhaps nowhere more so than in human resources (HR) divisions. HR is being stretched and pulled every which way to meet challenging goals within unprecedented resource constraints.

This paper examines how HR organisations are navigating this gruelling business climate; the obstacles and challenges they face; and the areas in which they might find opportunities to develop and be more widely recognised as business-critical partners. In March 2009 the Economist Intelligence Unit conducted a global survey on human resources during an economic downturn. The major findings are as follows:

There are diverging perspectives between those working in the HR function and those elsewhere in the organisation regarding the strategies and goals of human resources. Sixty-six percent of HR respondents say they have identified opportunities to streamline processes and cut costs; just 49% of non-HR respondents, however, agree. Likewise, HR's perception of the strategic role it plays in the organisation both now and in the coming years diverges from that of non-HR: 50% of HR respondents say that HR will play a more strategic role in the business than previously compared with 31% of non-HR respondents.

The biggest challenge the human resources function faces is to better align itself with the needs of the business. Survey respondents say that the biggest hurdles for HR are an inadequate understanding of the relationship between workforce reduction and business goals (39%) and of critical skill sets in the organisation (39%). This might be a result of a lack of communication of company goals on the part of senior management. Yet the neutral or negative perception of HR's contributions at certain organisations could be mitigated by more overt displays of its knowledge of the business, particularly as it has the potential to play a key role during the downturn.

**Performance management is viewed as a top priority for human resources across regions, functions and titles.** Thirty-nine percent of survey respondents say performance management is a top priority at their organisation and 43% say it should be. Respondents overall cite the importance of evaluating performance with quantifiable metrics. Fifty-six percent of survey respondents (66% from the HR function) say their firms have implemented or are in the process of implementing a quantitative,



metrics-based, performance management programme. A whopping 94% of respondents say their HR organisation has developed or is in the process of developing such a programme.

Boosting productivity without increasing costs requires a combination of employee development programmes and process improvements. Survey respondents cite four methods that are about equally successful in gaining additional productivity from employees without raising compensation costs: creating additional training programmes (44%), adopting more efficient methods of service delivery (44%), adopting more quantified and/or stringent performance evaluations (47%) and adopting mentoring programmes (47%).



## Introduction

In tumultuous times, businesses and HR [human resources] need to team up and act decisively," says Garmt Louw, executive vice-president of resourcing and development at Royal Dutch Shell, a multinational petroleum company. In the throes of an economic downturn that has been dubbed The Great Recession, companies worldwide are responding to known and unknown external forces with caution, focus and a keen eye towards survival.

And with good reason. The US lost 2.6m jobs in 2008, the worst yearly performance since 1945. In fact, the Economist Intelligence Unit is forecasting a global contraction of 1.9% in GDP growth for 2009. Businesses are facing dramatically reduced sales and profits. Times are indeed tough, and with so much at stake, managing the business of people—as HR divisions do—is a daunting proposition.

Human resources is expected to play a leading role in this environment by continuing to be more engaged than ever in developing and retaining talent, containing and reducing costs, and aligning its activities with the overall business strategy. However, according to a survey conducted by the Economist Intelligence Unit in March 2009, HR faces numerous organisational, financial and technological obstacles, particularly during these trying times. It is also confronting a perception challenge in that many organisations continue to view the HR function as a services provider rather than a business-critical partner.

The HR discipline has evolved over the last few years to comprise professionals at all levels whose contributions are grounded in business and finance. And it is during these uncertain times that HR has an unprecedented opportunity to showcase its value as a powerful strategic collaborator.

### Who took the survey?

A total of 199 executives participated in the Economist Intelligence Unit's online survey on human resources in an economic downturn, which was conducted in March 2009. The survey sample was senior: 41% of respondents were C-level executives such as CEOs, CFOs and CIOs, and the balance consisted of senior vice-

presidents, heads of business units and other senior managers. A range of industries was represented, including financial services, manufacturing, information technology and professional services. All surveyed executives work with firms having annual revenue of at least US\$250m. Twenty-eight per cent of respondents were from Asia-Pacific, Western Europe and North America; the remainder hailed from Latin America, Eastern Europe and Middle East/Africa.



#### Key points

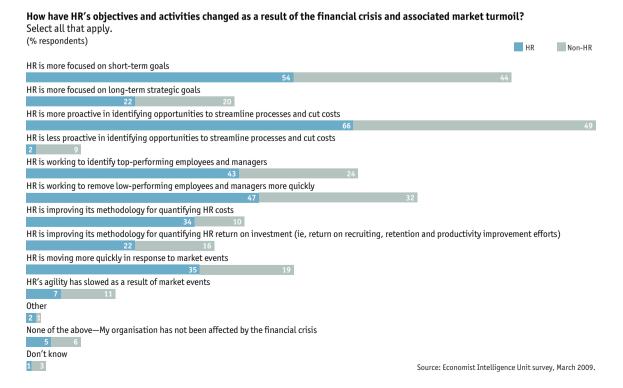
- It is critical, especially when conditions are uncertain, for HR to position itself and make widely known its
  positive contributions to the bottom line
- Continuously rethinking its portfolio by focusing on core competencies will serve HR well when times are tough
- Sixty-six percent of HR respondents say they have identified opportunities to streamline processes and cut
  costs during the recession; a significantly lower percentage of non-HR respondents—49%—agree

# The perception gap

uman resources has at times been perceived as an organisational drag, a characterisation it has been slow to shed. Unsurprisingly, our survey results reflect that view, highlighting the striking divergence in the ways respondents view HR's contributions to business operations. Without exception, HR respondents have a more positive view of their function as a business partner and the role it plays during an economic downturn than do those who work elsewhere in the organisation.

For example, 66% of HR respondents say they have identified opportunities to streamline processes and cut costs during the recession; a significantly lower percentage of non-HR respondents—49%—agree. Likewise, 47% of HR respondents say they have worked to remove low-performing workers more quickly, compared with 32% of non-HR respondents.

It is critical, especially when conditions are uncertain, for HR to position itself and make widely known





#### Looking inward to look outward

Human resources emerged from the field of industrial relations, or labour relations, which developed in the middle of the 20th century and focused on the relationship between management and groups of workers, often in a union context. In many ways, the field presumed that the interests of both parties are unlikely to align. HR has evolved considerably in the last two decades, however. Today's HR managers work closely with workers and recognise that they need to mobilise talent as a way of remaining competitive, according to C K Prahalad, management consultant, author and a distinguished professor at the University of Michigan Ross School of Business. Now, Mr Prahalad says HR needs to evaluate itself to ensure that it is contributing to that competitive advantage, particularly in challenging times.

Managing through volatile periods requires human resources to be prepared to support an ever-shifting business. "Increasingly, HR

not only needs to be well trained, highly productive and innovative", says Mr Prahalad, "but individuals should be capable of being crosstrained to do many more jobs."

Continuously rethinking its portfolio by focusing on core competencies will serve HR well when times are tough. Mr Prahalad cites an auto parts manufacturer that decided to move into the windmill business as a way of redeploying existing resources: "HR needs to be thinking, 'Let's look at the growth of the business and the opportunities that you have."

To that end, Mr Prahalad says that human resources is on track to becoming a strategic function of the business. "Traditionally, HR has taken the attitude of 'you tell us the strategy and we'll align with it,'" he explains. "HR should be saying, 'these are the competencies we have and these are the strategies we're likely to implement."

The traditional attitude is simply "old fashioned", says Mr Prahalad. "It's time for HR to show how it can take the business forward."

its positive contributions to the firm's bottom line, says C K Prahalad, professor at the University of Michigan's Ross School of Business and best-selling author of *The future of competition*. Mr Prahalad is a consultant to corporations worldwide and has been researching and writing about business management for more than 20 years.

The survey results, which show that the human resources function still needs to prove its value to the organisation, are not a surprise to Mr Prahalad. He explains the perception gap by noting how rare it is for HR to comprehend the operations of the business as a whole. "Show me a company where senior HR leaders fully understand the business and are as comfortable with profit-and-loss statements as any business manager," he says. If an HR manager doesn't understand the expectations of customers, he concludes, it's difficult to forge a connection with the business and its needs.

Because of this lack of awareness, Mr Prahalad adds, the contributions of human resources tend to focus on which employees should be placed in particular roles rather than on the kinds of skills needed to meet business requirements. "HR has to speak the language of business it if wants to fill its full potential," he says.

Anand Sud is HR director for Asia-Pacific and the Middle East at Dow Corning, a privately owned subsidiary of Dow Chemical. He says the company is feeling the negative effects of the global economic crisis: for the fist time in its 66-year history, revenue in 2009 will be lower than the preceding year. Mr Sud, who is based in Bangkok, echoes and expands on Mr Prahalad's assertions, saying that with an intimate knowledge of its people, business and company culture, HR can add value in tough economic times. "The number-one competency at my job is financial acumen," says Mr Sud. "If you have an HR player sitting at the table but he or she really doesn't understand how the business is run, or the financial metrics or the key skills required in this market, he or she will not be able to look at how to develop people other than by just spending money."

"The number-one competency at my job is financial acumen."

Anand Sud, HR director for Asia-Pacific and the Middle East, Dow Corning



In an effort to bolster its strategic role in the organisation, Symantec, a California-based software maker, realised two years ago that it needed to fix its own perception gap by restructuring its HR model to better align with business goals. In Symantec's former model, HR workers supported individual business units, but that "matrixed" set-up was inefficient, says Kelly Heard, vice-president of HR Direct and HR Business Partner Consulting at the California software maker. The company underwent a reorganisation in which the HR department was divided into two primary groupings:

- HR Direct, which supports employees' e-mail and phone enquiries that aren't readily addressed by the web-based self-service site. It also works on project-related activities on behalf of business partners and global products.
- Senior HR staffers who focus on assessing and retaining top talent and integrating organisations that Symantec acquires.

The benefits of Symantec's streamlined model have been striking, says Ms Heard: "For the first time in my 20-plus years working in HR we're able to quantify services we provide to the larger population." Documenting the nature of HR Direct's enquiries—the topics people are asking about and how often similar questions arise—has enabled the HR organisation to improve programme offerings and the quality of information available online.

"HR not only needs to be well trained, highly productive and innovative, but individuals should be capable of being cross-trained to do many jobs."

C K Prahalad, professor, University of Michigan Ross School of Business



#### **Key points**

- Successful leadership during an economic downturn involves finding creative ways to retain programmes that
  are fundamental to the organisation
- Businesses need a performance management strategy that fosters alignment and responsiveness, as well as a
  means to ensure that individuals are cast in the right roles
- Fifty-six percent of survey respondents say their firms have implemented or are currently implementing a
  quantitative, metrics-based performance management programme

### The role of HR in a downturn

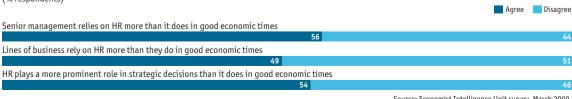
uman resources leaders industry-wide are rethinking and shifting priorities in response to new challenges that range from slashed budgets and decimated departments, to attracting and retaining talent in an uneasy environment. The economic downturn actually presents an opportunity for them to raise their profile in the organisation and become a critical resource for senior management. Fifty-six percent of survey respondents say that when business conditions become unfavourable, senior management relies on human resources more than in good economic times, while 54% say that HR plays a more important role in strategic decisions.

Chief among the current priorities of the HR function, according to survey results, is a well-executed performance management programme, which 39% of respondents say is a leading concern at their organisation and 43% say should be. Career and leadership development are also cited as a top priority by 40% of respondents.

Performance management has always been critical to HR, says Cary Sparrow, who oversees the transformation of HR capabilities as process adviser for "Hire to Retire" at Cargill, a US\$120bn producer and marketer of food, agricultural, financial and industrial products and services, based in Minnesota. "But in today's environment, where efficiency and productivity are so important", Mr Sparrow says, "tapping into the power of the workforce and responding to rapidly changing business conditions is even more critical." Businesses need a performance management strategy that fosters alignment and responsiveness, he adds, as well as a means to ensure that individuals are cast in the right roles.

According to the majority of survey respondents, evaluating performance with quantifiable metrics is a priority. Fifty-six percent of survey respondents overall say their firms have implemented or are currently implementing a quantitative, metrics-based performance management programme. Metrics-based performance management is critical to business success, according to Ms Heard of Symantec, but such

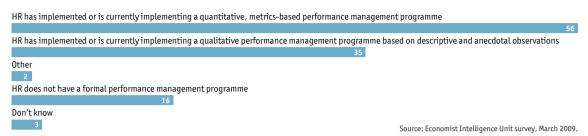
# Do you agree or disagree with the following statements about what happens in your organisation when business conditions become unfavourable? (% respondents)



Source: Economist Intelligence Unit survey, March 2009.



## What type of performance management programmes does your HR organisation have in place? Select all that apply. (% respondents)



programmes are not always well executed, in part because there is no perfect system. "It's ultimately about a manager's engagement with employees about the past and future," she says. "But if you're clear about goals and rewards, people will try to achieve what you ask of them."

The takeaway here is that some HR departments can take advantage of the downturn to bridge the perception gap by offering a perspective on workforce performance that could drive smarter business decisions.

HR can be invaluable during the current economic climate by continuing to build relationships with employees and by emphasising continued investment in people and the organisation, according to Jürgen Brokatzky-Geiger, global head of human resources at Novartis, a pharmaceutical giant. Mr Brokatzky-Geiger maintains that people don't forget how you treat them in bad times: "If you are fair, you help to bind employees emotionally to the company not only in bad times, but also in good times when there is a lot of competition."

Successful leadership during an economic downturn involves finding creative ways to retain programmes that are fundamental to the organisation. For example, spending time on career development, succession planning and training should not be regarded as wasteful or frivolous despite

#### Many paths, one view

Cary Sparrow, Cargill's process adviser for "Hire to Retire", currently oversees the transformation of the US\$120bn agricultural concern's HR department through an initiative known as Project Tartan, as in the multi-coloured woven fabric that originated in Scotland. Mr Sparrow says the criss-crossing horizontal and vertical stripes form a unified pattern that is an apt symbol for his team's efforts to unite a business that is moving in many directions at once.

Staying flexible while looking out for the overall health of the organisation is paramount for Cargill executives, says Mr Sparrow, especially in unstable times. HR seeks to establish such flexibility by reconfiguring the placement and retention process to be more

transparent to the entire corporation. "For a global company, it's essential that talent decisions not be made in isolation," says Mr Sparrow.

It used to be acceptable for individual business units or offices at Cargill to reallocate or cut back resources as they saw fit, Mr Sparrow explains. But that was creating risk for the whole firm. "If some want to build capability and other areas are cutting back without taking that into account, we could be eliminating talent the company actually needs," he says.

With its consolidation of key talent decisions, Cargill has brought a measure of visibility to internal resources that had never existed, Mr Sparrow says. Tapping into and engaging the power of the existing workforce allow the firm to respond to rapidly changing business conditions across its many moving parts.

#### The role of HR in uncertain times



"If you are fair, you help to bind employees emotionally to the company not only in bad times, but also in good times when there is a lot of competition."

Jürgen Brokatzky-Geiger, global head of human resources, Novartis the negative economic environment, says Mr Brokatzky-Geiger, who is based in Basel, Switzerland. In fact, at Novartis succession planning is considered to be one of the two most important global HR processes (the other is performance management). Both have gained the time and attention of Dan Vasella, the company's chairman and CEO.

HR should also emphasise the importance of efficiency, performance improvement and cost control to the organisation's survival, Mr Brokatzky-Geiger says. "As a result, workers will better understand during these times and will be more likely to co-operate."

With the intensity of the economic downturn, many companies have been reluctant to invest in training workers, resorting to short-term cost-cutting —that is, freezing pay and suspending contributions to retirement plans—to avoid deeper staff cuts. These cutbacks may seem minor compared with full-blown lay-offs, but the effects on the remaining employees can be significant. A 2003 study conducted by the Institute of Behavioral Science (*Physical and Mental Health Effects of Surviving Layoffs: A Longitudinal Examination*, November 2003) revealed that workers who survived one or more company lay-offs were found to have higher levels of depression and were more susceptible to workplace injuries.

To take advantage of the inevitable economic rebound, organisations should consider acting now to improve morale and retain top talent. Although investments in training may seem counterintuitive in the current environment, organisations should recognise the benefits of an engaged workforce. A 2008 Wharton School study, for example, draws a strong correlation between employee satisfaction and shareholder returns (*Does the Stock Market Fully Value Intangibles? Employee Satisfaction and Equity Prices*, December 2008).

Employees who are properly trained are likely to be more productive, thereby increasing their job satisfaction and improving their loyalty. And by measuring the outcomes of corporate training programmes, HR directors can more effectively justify ongoing investments in programmes that work while eliminating those that underperform.

In addition, HR organisations that are frank in their internal communications about the difficult economic climate and resulting cost-cutting measures will foster credibility with the workforce. They'll gain even more respect if they communicate through channels that employees prefer and show a legitimate interest in (and a willingness to act on) staff feedback.



#### Key points

- According to survey respondents, the following methods would be most successful in gaining productivity
  from employees without raising compensation costs: creating additional training programmes; adopting more
  efficient methods of service delivery; adopting more quantified and/or stringent performance evaluations;
  and adopting mentoring programmes
- Balancing a long- and short-term outlook is a significant challenge when operating in an uncertain environment

# Challenges and opportunities for today's HR professionals

uman resources leaders in most firms—even those who are not adversely affected by the global financial crisis—are facing unprecedented challenges, ranging from an unstable market to unexpected mergers and acquisitions. These dramatic shifts put pressure on firms, even those that aren't facing steep declines, making it imperative for HR professionals to be in lockstep with the business.

Survey respondents say the greatest obstacle HR faces is a certain dissonance with the business. For example, 39% of respondents say that when there is a need for a reduction in headcount, HR has an insufficient understanding of how such reductions will affect business goals. The same number of respondents says HR has an inadequate understanding of critical skill sets in the organisation (39%). These findings, however, could be a result of a lack of communication of company goals on the part of senior management.

Management challenges extend beyond getting the right people in the right roles, to ensuring that they are producing results once they are there. With so many companies working with fewer resources than in the past, organisations have a laser-like focus on gaining productivity at low or no additional cost. There are four methods that would be about equally successful in gaining additional productivity without raising compensation costs, according to survey respondents: creating additional training programmes (44%), adopting more efficient methods of service delivery (44%), adopting more quantified and/or stringent performance evaluations (47%) and adopting mentoring programmes (47%). Service, training and career development appear to be the most effective tools in boosting productivity.

Technology is key, Mr Sparrow of Cargill says, but there is more to a successful HR programme than its technical systems. First and foremost, there is the human element, he says. "It's about setting goals and coaching employees. And making decisions about rewards and mobility." And then there's the context in which those interactions enable success. "In order for technology to enable performance management and manage projects effectively," he explains, "it has to touch many processes." By such processes, he means how employees are paid and how to make decisions about promotions, transfers and placement.

Amid the worst economic conditions in recent memory, companies face difficult workforce-planning decisions. An increasing number are using metrics to assess their current position and future human capital needs. Some sceptics maintain that HR is too "soft" an area to be analysed, compared with functions like finance or marketing, which have long mined business data for patterns and trends to generate intelligence that can drive decision-making. But other experts believe that HR metrics are critical, especially in the current economic environment, for keeping HR strategically oriented, and for



#### A new world for the old world

Most human resources divisions—and those within global businesses in particular—have come to regard information technology (IT) as a *de facto* contributor to nearly every business process. Royal Dutch Shell, a multinational petroleum group with operations in more than 100 countries, has a rich history in the energy sector and a more recent reputation as a consumer of technologies that allows it to stay nimble despite a dispersed workforce of 100,000.

Garmt Louw, executive vice-president of resourcing and development, says that while Shell's HR department is still fine-tuning its technology, a combination of commercial and proprietary platforms has enabled it to gain multiple views of a massive organisation. "Technology is paramount," says Mr Louw. "The whole company is deeply linked to our technological capability."

Shell's HR managers in The Hague, for example, can analyse the performance of workers worldwide by running reports from

a consolidated HR platform. "You can do special lenses," Mr Louw says, for example, identifying which employees are due for performance evaluations, or determining how new hires with deep industry experience compare with seasoned Shell staffers. With that information, "We can think of ways to challenge our people to make better use of their talents," he says.

Technology has also served to alter how training sessions are scheduled. Previously, says Mr Louw, Shell held annual trainings in London. Now, as managers work with direct reports to identify opportunities for development during performance discussions, that information is sent to a unit in Krakow, Poland. Based on the data it receives, that unit will determine the most cost-effective region in which to hold the next training, rather than automatically flying everyone to London. While this programme is still new, Mr Louw anticipates that this "dynamic" model based on employee demand rather than management-imposed planning will reduce the cost of corporate learning, as will the more reasonably priced offshore scheduling and programme administration.

presenting to business leaders the kind of data they can relate to—and use.

Those interviewed for this report are by and large unified in their belief that balancing a long- and short-term outlook is a significant challenge when operating in an uncertain environment. As such, businesses continue to invest in projects and processes that will nurture the long-term health of the organisation and its talent pool. With that forward thinking in mind, most respondents say they are either evaluating, implementing or have already implemented more focused training programmes (87%), automating/streamlining processes (83%) and instituting additional metrics-based performance evaluations to derive more value from employees (82%).

The future is very much on the minds of HR professionals. According to Mr Louw of Royal Dutch Shell, "We have to manage both the long and short term better than ever before."



# **Conclusion**

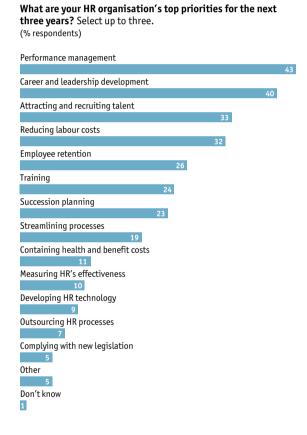
Jack Welch, the legendary former CEO of General Electric, had it right when he wrote in his book, Winning: "To manage people well, companies should ... elevate HR to a position of power and primacy in the organisation, and make sure HR people have the special qualities to help managers build leaders and careers." But human resources can't sit around waiting to be elevated; it must elevate itself by showing it has the capability to move beyond leadership and career-building by helping executives see the company in new and innovative ways. And in these troubled times, the likes of which few HR professionals have ever experienced, the task of self-elevation is especially critical.

Even while HR is playing a prominent role in the reorganising and restructuring of businesses worldwide, the survey found that it has yet to be recognised for its numerous contributions and accomplishments owing to an enduring gap in the way it is perceived by those elsewhere in the organisation. Whether this assessment is real or imagined, HR must find ways to close this distance by becoming an acknowledged strategic partner with the business. The human resources function should consider the following:

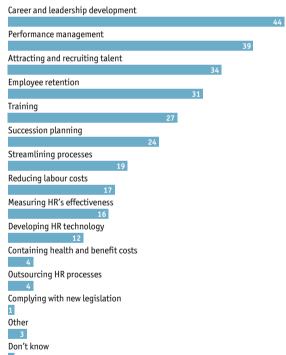
- Align its management approach with the company's business strategy, and express it in the business
  and financial language used by senior executives. HR can go one step further by taking a more active
  role in strategic discussions to go beyond simply aligning with business decisions, moving into the
  realm of creatively enhancing the firm's processes and portfolio.
- Acquire an in-depth understanding of the business by gaining a deeper grasp of the roles and
  responsibilities of employees throughout the firm. An awareness of the individual skill sets of each
  employee will enable HR to map these to its business strategy.
- Fine-tune its use of metrics. In the midst of economic uncertainty, companies must develop the optimal
  workforce for enabling the business to meet its strategic objectives. Adopting quantifiable metrics
  can help executives to make good decisions about the optimal structure and development plan for the
  workforce to drive business results.

Reversing business's perception of HR will be an ongoing and demanding activity at some firms, but it is clear that HR must do so if it hopes to fulfil its potential and be viewed as a strategic partner. And while the current downturn has taken an exacting toll on businesses all over the globe, the environment also provides an unexpected opportunity for HR to show its value by making bold and influential contributions to the entire organisation.

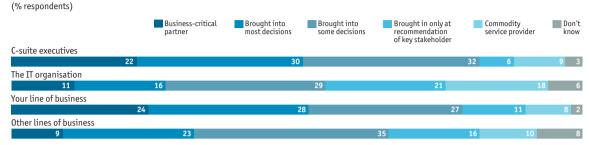
# Appendix Survey results: The role of HR in uncertain times



To the extent that you disagree with your HR organisation's priorities, which of the following do you think should be HR's top priorities in the next three years? Answers may or may not differ from those you selected above. Select up to three. (% respondents)



#### In your view, how is the HR function perceived by the following parts of the business?



#### Do you agree or disagree with the following statements about your organisation?



# What type of performance management programmes does your HR organisation have in place? Select all that apply. (% respondents)

HR has implemented or is currently implementing a quantitative, metrics-based performance management programme

HR has implemented or is currently implementing a qualitative performance management programme based on descriptive and anecdotal observations

35

Other

2

HR does not have a formal performance management programme

16

Don't know

# To what extent has your HR organisation developed a metrics-based performance management programme?

(% respondents)

HR has such a programme in place

66

HR is currently implementing such a programme

28

HR is considering implementing such a programme

7

HR has no plans for such a programme

0

Don't know
0

# How do you expect the role of HR to evolve over the next three years at your organisation?

(% respondents)

HR will play a critical strategic role in the business

25

HR will play a more strategic role in the business than previously

HR's role will remain the same

27

HR will play a less active and strategic role in the business than previously

6

HR will play a marginal strategic role in the business

3

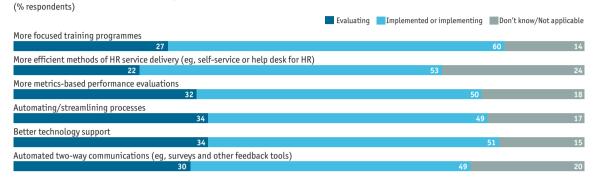
Other

O

Don't know

1

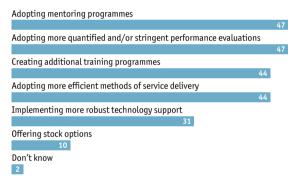
# Which of the following measures is HR currently evaluating—or already implemented—so that the HR organisation might derive more value from employees?



# In your opinion, which of the following methods would be most successful in gaining additional productivity from employees without raising compensation costs?

Select up to three. (% respondents)

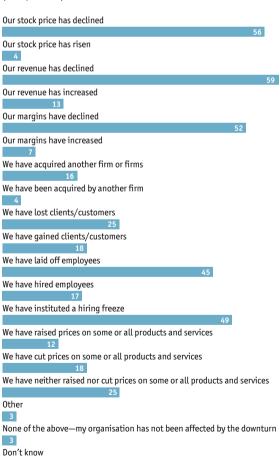
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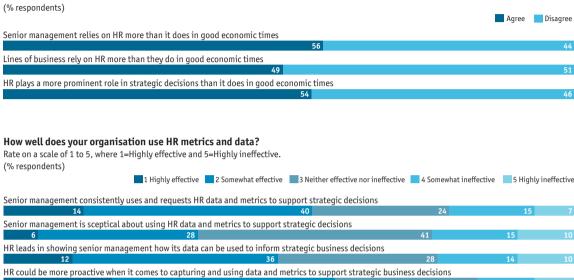
# How has your organisation been affected by the financial crisis and associated market turmoil? Select all that apply.

(% respondents)

1



## Do you agree or disagree with the following statements about what happens in your organisation when business conditions become unfavourable?



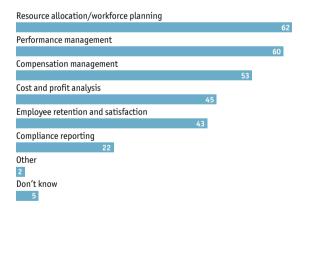
#### How have HR's objectives and activities changed as a result of the financial crisis and associated market turmoil?

Select all that apply.

(% respondents)

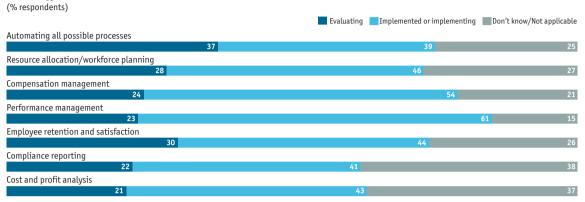


# Which HR tools does senior management rely on to inform business decisions during a downturn? Select all that apply. (% respondents)



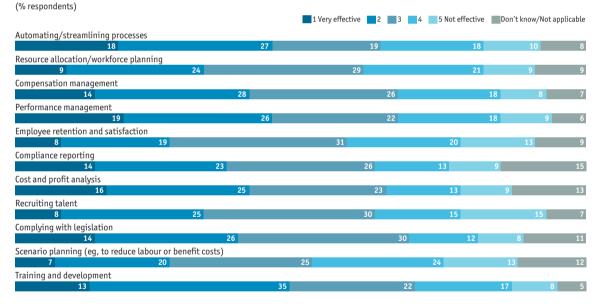
Don't know

# To your knowledge, in which of the following areas have HR managers evaluated or implemented the use of technology tools?



#### With regard to HR, how do you rate the effectiveness of technology in the following areas?

Rate on a scale of 1 to 5, where 1=Very effective and 5=Not effective.



If faced with the need to reduce headcount, what are the biggest obstacles to your company becoming better prepared to do so while ensuring that the best employees are retained? Select up to three.

(% respondents)

Insufficient understanding of the relationship between workforce reduction and business goals

Insufficient understanding of critical skill sets in the organisation

39

Inadequate frameworks to approach workforce reduction

33

Lack of quantifiable information (metrics regarding appleaded performance)

Lack of quantifiable information/metrics regarding employee performance

31

Insufficient and/or outdated information regarding employee performance

Other 6

Don't know/Not applicable

15

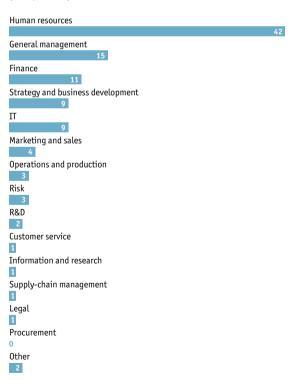


(% respondents)

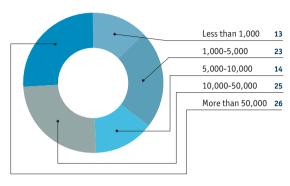


#### What is your principal functional role in your organisation?

(% respondents)

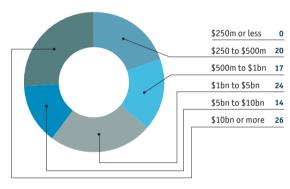


# How many employees does your organisation employ globally? (% respondents)



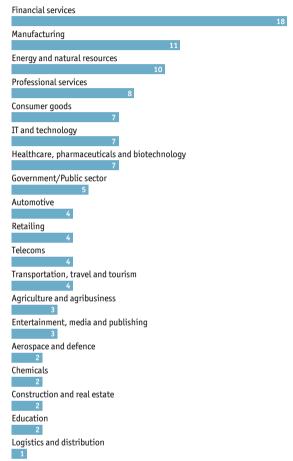
# What are your organisation's global annual revenues in US dollars?

(% respondents)



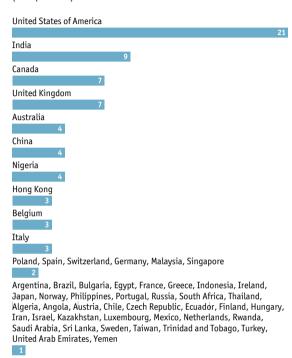
#### What is your organisation's primary industry?

(% respondents)



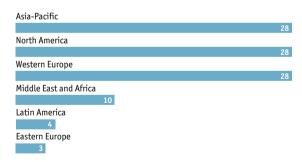
#### In which country are you personally located?

(% respondents)



#### In which region are you personally based?

(% respondents)



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