



15 WAYS TO MANAGE YOUR EMPLOYEES DURING UNCERTAIN TIMES

This report accompanies the free articles, reports, templates, and online video presentations available on the HRwisdom resources site which provides valuable information on how to find, keep, and manage good employees.

Simply visit <http://www.HRwisdom.com.au> for your free access.



Fifteen Ways To Manage Your Employees During Uncertain Times

In this HRwisdom report we are sharing some good ideas for maintaining profitability with your staff during uncertain economic times.

Remember, you can find an answer for most staff management issues in the [HRwisdom Library](#) or [our Blog](#).

A recent report produced by the Australian Institute of Management revealed: "Although 20% of companies are looking at downsizing and retrenchments, 87 of CEOs and business owners believe their companies will survive the global financial crisis, and 81% say investment in employee development and retention will benefit their companies in the medium-term."

This **positive approach** and focus on the upside in difficult times resonates with us at HRwisdom in two simple, everyday ways:

First, our nearest coffee shop is a Dome Café. Dome has grown into a large company with continued expansion throughout the west of Australia and throughout Asia. Dome first *started* trading during the darkest depths of the last recession.

Second, the IT company that manages HRwisdom's infrastructure recently disclosed that they were



now actively seeking business acquisition targets that might not have been available prior to the economic downturn.

We always encourage you to consider ways to turn the challenging economic times to your advantage.

The following are some ideas that may help you manage your employees during uncertain times.

1

Clearly identify the most important [business measures](#) (KPIs = Key Performance Indicators) that will keep your business afloat during these challenging times. The critical measure of 'Break-Even' is a good start and you could then add other measures such as 'Widgets Sold Per Month' or 'Cost Per Unit' as appropriate. Publish these three or four measures everywhere in the form of very basic charts that any passerby can understand at a glance. These charts should, at a minimum, be above every water cooler or in every

lunchroom and they should be updated daily to emphasise their importance. Discuss the results at every opportunity.

2

[Training](#) will be a major area of competitive advantage in the economic downturn. Start your training by teaching how the metrics of your business work (especially the basic financials) and how your people can impact these measures day to day.

3

Don't skimp on inductions as it will affect your bottom line. No matter how well-qualified your new employee is, they don't understand your business, systems, or customers properly yet and this will cost you money if not handled properly. An effective induction doesn't need to be expensive or onerous but it must be pre-planned and well thought out. A good induction is also one of the most important factors in [retaining good employees](#).

4

Restructure communication so you measure, manage and communicate according to your KPI charts. Ensure your regular meetings follow an agenda that reference your goals and metrics.

5

Get your order book out (or timesheets or billing records, etc) and look at them over time. Work out when are your busy and slow hours, days, weeks, months and seasons. Staff accordingly. You may be able to sell this to employees as flexible workplace or family-friendly - why have them in at 8:30am if things don't get busy til 10:30am? Let them drop the kids off or let them work longer days and not work Fridays when nothing happens anyway.

6

Consider outsourcing work or bringoutsourced work in-house.

Many HRwisdom members have outsourced work to suppliers all over Australia and overseas. One of the HRwisdom contributing authors ([employee retention specialist](#)) went the opposite direction with his 80 person training company and brought graphic design work in-house because the volume of design work made this more cost effective.

7

Consider 'loaning out' employees to sit in-house with customers or suppliers for a period at a mark-up. This can be very lucrative and, in effect, reduces your labour costs whilst hanging on to valued employees during the downturn.

8

Consider allowing your employees to [telework](#) from home for reduced hours. Some employees will love this as you're offering them a flexible workplace and letting them buy their time back. Some businesses even use this approach to minimise office space and equipment requirements for improved cashflow.

9

Run down annual leave accruals (in line with legislative requirements) for better cash management.



10

If you are unsure of what the future holds for your business, consider hiring [fixed-term employees](#) instead of full-time employees.

11

Cut out paid overtime wherever possible. Manage workloads closely, use flexi-time, time off in lieu, annualised hours, introduce an afternoon shift, etc. In some circumstances, offsetting extra workloads with casual day-hire labour can be more cost effective (be careful though, as quality and service may be affected, not to mention disgruntled permanent employees).

12

Consider a boomerang approach and offer employees long-term unpaid leave

so they can travel whilst your business rides out the storm. You may even assist them in this by providing them with business contacts and references.

13

Similar to the concept of Refer-A-Friend to find new employees, some businesses have had success offering Refer-A-Customer or sales commissions to staff even if they are not in sales roles.

14

Have [operating systems](#) in place in all areas and make sure they link to the KPI charts. If you can't make the system link to the charts then you need to consider why you are doing this activity in the first place. Streamline all your systems and ensure that all your people know them inside out. Note that operating systems do not need to be complicated. At the most basic level, McDonald's uses specially-sized scoops for serving fries to ensure

employees consistently achieve the key targets of customer satisfaction (the fries present well in the container) and waste reduction (the scoop picks up exactly the right number of fries). A 32 page document-controlled procedure that no-one will read once it has been approved makes auditors happy but it is not a good system.

15

Apply performance-based pay, incentives, or bonuses to every job. Note that these can be non-financial incentives. Ideally, all incentives should be results of pre-determined outcomes linked to the business's key performance indicators. Celebrate small and big wins and use these celebrations to focus staff on doing the things that have the biggest impact on your key measures.

For more great information, visit the [HRwisdom Library](#) or browse the [HRwisdom Blog](#).

