

# Creative staffing can save a company

## RETRENCHMENT IS NOT THE ONLY OPTION TO REDUCE STAFF COSTS.

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*(d)* During times of economic hardship, the Manpower Bill is often the first area, where companies seek to “cut back”. Although unavoidable sometimes, retrenchments should always be viewed as the last resort, and a strategy that is deployed only when all other avenues have been exhausted.

Recognising that retrenchment not only impacts on the individual, but also on the extended family and even on communities, employers should always try to find alternative solutions in consultation with their employees.

Work sharing, which has its origins in the Great Depression, is one such option, and arguably an option that warrants closer investigation in the current recession. Adopting this model, companies seek to retain their entire workforce. Instead of retrenching staff, companies seek to cut costs by reducing working hours and remunerating employees on a pro rata basis. When the economy turns or orders pick up, the company will revert to the status quo.

It is important to recognise that work sharing and job sharing is not the same thing. The latter is a voluntary and permanent arrangement, where two individuals

take full responsibility for splitting a full-time job into two part-time jobs. This decision is often based on the desire to achieve a better work-life balance. Work sharing, on the other hand, is a response to a temporary and cyclical decline in the demand for goods and services.

Countries such as Austria, Belgium, France, Germany, Japan, the Republic of Korea, the Netherlands and Switzerland have implemented work sharing strategies very successfully. Well known examples include Kurzarbeit in Germany, and chômage partiel (partial employment) in France. As far as the former is concerned, research undertaken by the German Institute for Employment Research indicates that from 2002 to 2003, 67.1% of companies participating in the scheme were able to maintain the same level of employment, and 7% of companies were able to increase employment by hiring new employees.

Although employees are required to make some sacrifices under this arrangement, many may find this preferable to being retrenched. Companies benefit from the fact that their Manpower Bill is reduced, at a time when the business may be struggling to survive. They also benefit from the fact that they are able to retain skilled workers, placing the company at an advantage when the business cycle improves.

Another option is for employees to voluntarily surrender their 13th cheque. By “banking” this money, the company may be able to save a number of jobs over a period of time. This type of salary sacrifice is quite different, however, from that agreed to recently by pilots working for British Airways: they agreed to a salary cut in exchange for shares in the company.

The guiding principle always should be to engage with employees

and provide them with an opportunity to come up with constructive alternatives. Where companies have exhausted all other options and retrenchment is the last resort, employers should undertake to assist employees, who are exiting the workforce. A recruitment specialist could be called in to assist with the out placement of retrenched employees.

These professionals could assist candidates to put together CVs and also provide guidance in terms of the way forward. Psychological support should also be provided as retrenched employees may have issues of low self-esteem. Unless addressed, this could impact negatively on future attempts to find employment.

Employees, who have been retrenched, need first and foremost, to focus on their way ahead. Personal branding is very important. Candidates need to package themselves correctly, ensuring that they project a confident, optimistic and strong self-image. Negative, depressed individuals are not attractive employment prospects, and are less likely to find employment.

It is imperative that candidates put together a proper, professional-looking CV. They should also prepare themselves properly for job interviews. This includes doing some homework on the company beforehand. Candidates should prepare their responses to questions that their prospective employer is likely to ask, well in advance. Role playing, at home is very useful in this regard.

There are no short cuts to success: candidates need to prepare, prepare and prepare, so that they are well-positioned to deal with anything that comes their way. Above all, candidates need to “sell themselves.” They are the brand, after all. *(HR)*