The Great Employee Meltdown

AFTER LAYOFFS, WHAT COMES NEXT?

Over the last three years, many companies cut their employees to the bare minimum in an effort to sustain their businesses during what many people say is the worst economic recession since the Great Depression. The companies

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that have survived will say they didn't think they would make it. But low and behold, survive they did—most just by the skin of their teeth. Those that did survive are reporting signs of recovery, such as

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moderate increases in activity and orders, but companies are still apprehensive about investing in inventory, making capital purchases or even hiring more people. Instead, employers are doing what they can with their existing staff. Every business owner or executive I've spoken to has no intention of hiring until it's absolutely necessary. This could be six months or three years from now. I predict that most companies will wait to hire until they are busting at the seams, or worse, until employees become so burned out they walk out the door.

Although unemployment in the United States remains steady (hovering around 9.5 percent for the last 12 months), gross domestic product is growing at about 2.5 percent—a glimmer of hope compared to 2009's overall decline of 2.5 percent. I'm not an economist, but based on what I hear from clients and what I see in the media, business is indeed getting better for many sectors.

Although now is not the time to begin hiring, this is an excellent time to evaluate your business processes, find ways to improve efficiency and invest in technology. If executed correctly, you could potentially double or triple your revenue while adding minimal new staff. For instance, implementing workflow software can reduce the time of your internal processes by keeping them organized and prioritized. Hundreds of choices are available. Many are inexpensive and do a great job.

The Great Employee Meltdown

As I write this article, we are entering the beginning of what I call the Great Employee Meltdown. By the time you read this, we might be in the midst of the meltdown. The Great Employee Meltdown is the tipping point at which overworked and

underpaid employees quit in a moment of frustration, or don't think twice about leaving their company for a new job. If you don't prepare for the Meltdown and take action, you can lose some of your best employees.

It was just six months ago when employees were willing to do just about anything to keep their jobs, including working longer hours without a peep and happily accepting furloughed days rather than a layoff. It was a much better option than that of their unemployed counterparts, who spent the last year or more looking for a job—any job.

The gratefulness of simply having a job will not last forever. Today, finding a new job isn't even a question. However, the economy will recover, the job market will improve, and better job prospects will be available. When this happens, your employees won't stick around if you continue to demand long days and unrealistic productivity levels.

Most businesses began their labor cuts by cutting the least-productive, less-desirable employees who were added during a great boom in business. In today's climate, your remaining employees are likely the cream of the crop—the most desirable employees. When the economic climate improves and companies start hiring again, these are the people your competitors will recruite. In times like this, you want to keep your best employees. At a minimum, I suggest being as generous as possible with bonuses and pay increases.

Improve employee moral

Now is the perfect time to flank the Meltdown by closely scrutinizing your operational processes and keeping your current employees happy. But more important, it's ideal to position your company to be lean and scalable. The worst thing you can do is work your staff to burnout or throw more people into an inefficient process. Instead, work smarter, not harder.

First, evaluate your current business processes, a concept called business process reengineering (BPR). It's a strategic approach to analyzing the

way work is performed in order to design a more efficient operation. Although this process does not always require the investment in technology, most often it does. Identify bottlenecks in your process, but most important, identify technologies that can allow you to grow without adding more people. Now is the best time to implement technology; it reduces the need to cut people who are made redundant by a new technology.

Preparing for new technology

Adding a new technology will require everyone to work a little bit harder during the implementation process. Employees are willing to work hard for a common purpose, such as a total overhaul of your business processes and technology, as long as there is an end in sight. If you prepare everyone correctly (see my article "So you think you can implement") you become more efficient and streamlined while hiring fewer new employees.

I recently helped a healthcare company implement a new software system. Over a one year period of time, the company increased its business by 35 percent while lowering the number of required office staff from 14 people to eight. After natural

attrition and promotions to new positions, to the company didn't need to fill the vacancies. With this new technology, the company was able to absorb extra work while reducing staff by 45 percent.

Find a professional

One word of caution — when you're ready to improve the efficiency of your business and invest in new technologies, your first call should not be to a software company. They often sell only one brand and they will try to convince you theirs is the best . Instead, employ the services of a consulting firm that focuses on project management as a whole, not just software implementation.

Business process reengineering is an iterative process requiring experienced individuals and dedicated project management. Rather than simply implementing one new piece of software, the process often involves a combination of adjusting internal workflow, repositioning key individuals and implementing multiple software applications. If you don't have the resources internally, find a consulting firm that specializes in business process reengineering, or contact Jeffrey Brown & Associates at www.jsbnetwork.com.

Jeffrey Brown is an established workflow strategist/consultant who specializes in the integration of people, processes and technology. He currently lives in Southern California and can be reached via his website www.jsbnetwork.com