

HOW TO KEEP EMPLOYEES HAPPY IN LEAN TIMES

I have a colleague, Mark Holmes, who runs the Small Business Development Center in Vernal. The economy of Vernal is largely controlled by the drilling of oil and natural gas. Over the past few years, Mark has kept us apprised of the extremes that have hit the community due to the boom and current bust of this industry.

When gas was selling for over \$4 per gallon, Vernal was in the boom. Enough employees could not be found or housed to support all the drilling that was going on. McDonalds and Wendy's was literally paying \$9-\$10 per hour and having their employees recruited right off the job by the drilling companies.

Now, the price of gas has dropped and Vernal is in the bust. Unemployment has skyrocketed and McDonalds has plenty of people willing to work for minimum wage.

As a business owner or manager, you know that having competent and satisfied employees is key to

the success of the business. In the boom times, many businesses approach their employee requirements by offering high wages and high benefits. The attitude is that the pay is what should make the job rewarding to the employee.

But now is the bust. Not just in Vernal, but across America and businesses are having to tighten their belts. When belts must be tightened, employee wages and benefits are the first to be scrutinized.

So how does a business make cuts to health plans, retirement plans and other benefits and still have competent and satisfied employees who will contribute to the ongoing success of the company? Will employees jump ship if you cut those benefits? Probably not, there are not a lot of jobs to jump to right now, but they may not give you that 100% that your business needs to make it through these down times. Those benefits provide a lot of security to our employees and the stress of losing them

can cause some real morale problems.

So how do you tighten that belt and still retain satisfied and committed employees? First and foremost provide a high level of communication with your employees. This communication comes in many forms and is essential to having employees who feel that they are valued. Here are a few suggestions.

- Let them know the circumstances of the company. Report to them sales volume, margins, and competitive challenges. Advise them of upcoming contracts that are being bid on and jobs that have fallen through. Give them news of the good and of the bad. Encourage them to participate in the budgeting process for their individual departments and let them see that cuts are being made at the upper levels and well as the lower.

- Get their input concerning where cuts are made. They may value their health care plan enough to want to share more in the costs rather than lose them completely. They may want to retain their retirement plan even though you are not able to do a company match. They may have an idea for cutting other operating costs rather than wages and benefits. You ultimately will have to make the tough decisions, but giving them voice may help you with those decisions.
- Have staff meetings and share with each other. Discuss challenges that have come up on the job and discuss a calendar of upcoming activities. Set goals and review your scorecard items. Get input, don't just give it.
- Be interested in their personal lives. Don't pry, just be interested. Do you know your employees by face and name and do you know how many kids they have at home or whether their elderly mother is sick?
- Educate. Let your employees know that there are opportunities to improve their future even though this year they didn't get that raise. Educate them for advancement and educate them to be more of a team on what they currently do. If you can't afford to bring in an expensive training program, set up internal training programs. Look to your local resource providers like the Small Business Development Center or Department of Workforce Services. And just make time in their day for them to mentor each other.
- Finally, laugh. Make the work environment enjoyable. We all need a bit of socializing in our lives. If we are going to be at work for so many hours out of our day, much of this socializing needs to come from our work environment. Add seasoning to this and let your employees know that a little bit of laughter each day is a-okay.

By Beverly King
 Small Business Development
 Center
 Weber State University
 801-626-7232
Bking1@weber.edu