

Common Management Missteps in a Down Economy

Staff reductions prompted by the economic downturn have left many managers scrambling to find ways to get more out of their remaining employees. In a well-intentioned attempt to balance productivity and cost-savings, however, mistakes are often made that contribute instead to a decline in staff motivation and loyalty.

Many of these missteps have also been made by leaders in previous business downturns, and a great deal can be learned by studying them. Make sure you are avoiding the following attitudes and tactics as you refine your own management strategies:

Expecting 110 percent at all times.

While it is appropriate to ask employees to put in extra effort periodically to complete difficult projects or meet particularly challenging deadlines, asking people to give their all on a nonstop basis will lead to nothing but burnout. Help your staff prioritize when demands are high and be willing to postpone less urgent assignments. Also make sure you're not creating bottlenecks; when you must sign off on key documents, do your part by reviewing them promptly or delegating the authority to someone else.

Cutting training programs.

When budgets are tight, professional development is an area that often experiences cutbacks. This may save money in the short term, but it also leaves employees less equipped to keep up with the changing demands of their jobs. The key to preserving training programs is to make them very targeted. Online training can be a smart option for mastering new software, for instance, while one-on-one feedback from a teacher makes classroom instruction a better choice for refining public speaking abilities. Ask employees returning from seminars or conferences to share what they've learned with others in the group.

Keeping staff in the dark.

No one wants to be the bearer of bad news, and it may seem better for morale if employees didn't know the full extent of company problems. Failing to disclose the facts is a mistake, however, because chances are people will hear about the situation through the grapevine anyway, creating rumors and fueling anxiety. When there is open communication, including the ability of staff to provide input, people will feel they have some measure of control over events. This employee involvement can also contribute to a more rapid business turnaround.

Delaying recruitment efforts.

What may surprise some managers is that this can be an ideal time to selectively build your bench strength. Why? With a broader talent pool available due to a weak economy, you may be able to attract exceptional accounting and finance professionals who might not have considered your firm in the past. If you are hesitant to hire full-time employees, an effective alternative is using project professionals to fill gaps during peak workload periods until you are certain you have a long-term staffing need. When that time comes, you can also consider recruiting these temporary staff members on a full-time basis since

you will have had an extended opportunity to observe their skills and fit with your organization.

Failing to show appreciation.

In a down economy, many managers believe that employees are lucky just to have jobs and underestimate the importance of continuing to recognize and, when possible, reward them for their contributions. The truth is, the best accounting and finance professionals are always in demand. If they don't feel appreciated, there is a strong likelihood they will leave for better opportunities once they are able. A personal thank-you note, praise at a meeting or an afternoon off are just a few inexpensive ways to acknowledge hard work.

Discouraging risk-taking.

In the face of uncertainty, there's a strong temptation to play it safe and avoid implementing new ideas and strategies until the future becomes clearer. Yet, that's exactly what you'll need to do to successfully navigate the recession. Encourage your staff to think of innovative ways to serve customers and improve the way they work. If you aren't able to implement their suggestions, let people know why and reinforce the value of all input.

Consistently treating your staff well and attempting to boost morale and motivation will not only help your team remain productive through currently difficult conditions; it can also encourage people to stay with your company over the long term.

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