

# Tips to safeguard our jobs in times of recession

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There are now no doubts that we are in a recession. There is no economy in the world which is unaffected and the recession is deeper than earlier imagined and could be longer than expected. The sentiments are heavily down in finance, investment and property sectors and demand has slumped suddenly across industries and companies are caught in a vicious circle of recession.

Some of the effects of recession for a company are:

- Drop in demand for products and services
- Consequent over supply
- Drop in prices
- Loss of business
- Excess capacity
- Cash flow and working capital problems
- Job losses.
- Postponement of capital expenditures
- Drastic cuts in costs, especially indirect
- Negative and gloomy sentiments

The most unfortunate aspect of a deep recession such as the present one is the job losses. Because, a job loss is a terrible and traumatic thing to happen as it affects the individual and his family on emotional, financial and social aspects. A family's future dreams and aspirations are highly dependent on an individual's career and are at stake, especially if there is a lone bread earner in the family.

"For the world's 1.5 billion wage-earners, difficult times lie ahead", says ILO Director-General Juan Somavia. "Slow or negative economic growth, combined with highly volatile food and energy prices, will erode the



real wages of many workers, particularly the low-wage and poorer households. The middle classes will also be seriously affected".

Look at the job loss figures across the world and imagine, the millions of dreams being shattered behind these figures. The job loss during 2008 in the US at 2.6 million is the worst since 1945 and is increasing every month. The job loss figures from every country are scary and India is equally affect-

ed. For instance the highly export oriented Indian leather industry is hard hit and the job losses there alone might touch 5 lakhs. Other export oriented industries such as garments are affected too due to a worsening of the situation in America and Europe. A Japanese auto giant has reported an unprecedented first time loss in its long history and announced brief production halt. In IT industry some companies are thinking of linking salaries to actually billable (pro-

ductive) hours or days of an employee. As if these are not bad enough, we keep hearing about corporate frauds and mismanagement in large and well known companies. It is important, for everyone productively employed to know what to do in a recession. And it's easier to understand this, after we know how a typical company deals with the situation.

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A company still deals with the problem by controlling key factors such as income, expenses and margin. Remember as Peter Drucker describes, profit is a necessary cost for survival and growth of a company.

An important tool for a company is to control and cut its indirect costs. That's how you will find that in companies maximum job losses will occur in indirect manpower. This will typically include people in administration, finance, HR and such other staff functions.

Job losses don't normally occur in production and sales initially, but will soon spread to these functions, if sales drops. Also, companies will think of, managing the business by replacing permanent staff with temporary staff as well as replacing salaried sales staff with commission based sales staff.

Another important aspect of HR practices in a recession is that when manpower turnover occurs either due to resignation or termination, replacements doesn't happen.

In highly people oriented industries such as IT, IT enabled services, BPO etc, job losses will be heavy and people on the bench will be the first to go, followed by others and generally following the Last In First Out [LIFO] principle.

## Let us now quickly look at how to save our jobs in a recession?

**1. Attitude and behaviour:** Generally companies place highest emphasis on attitude and employee behaviour. Employees, who are weak on this factor, should better watch out.

Companies use the recession time as an opportunity to cleanse the organisation and there can be no better time to do it.

Don't get involved in negative talks and office gossip as even a small error can misfire against you. Employees should therefore get more positive in attitude and remain well behaved. Do remember that the job markets are bad and it would be a terrible mistake to lose a job for such reasons.

**2. Performance:** In a recession, this will be the most important factor to evaluate an employee. Recession doesn't mean zero demand in the market; it only means demand is down.

This means, a sales person for example needs to improve his efforts in terms of calls and meetings as well as get more efficient in proving value of his products and services to the customer. Remember, every client is negotiating hard during recession.

Similarly, in other jobs, where performance is measurable quantitatively such as manufacturing, BPO and call centers, etc individual productivity have to show a rise. In extremely difficult situations, where productivity doesn't show an increase, make sure, your increased efforts are there and seen by your superiors.

**3. Avoid long vacations:** Out of sight is out of mind, is an adage worth remembering. Keep off your annual vacation plans. It's time to prove your value to the employer too and if the work goes on in your absence, you are as well not required.

And, remember, avoiding long vacation, saves money, in these hard times. In emergency, when

leave is unavoidable, keeping in touch with your organization is mandatory.

**4. Working culture:** Correct flaws in your working style and develop a healthy working style. It's necessary to emphasis on quality of your work as well as quantity. In other words, apart from ensuring productivity, ensure you spend long hours at work, avoid even short and unnecessary leaves and be engaged and productive at all times.

**5. Welcome extra work:** When employees leave or are terminated, often existing employees are assigned the extra work. Accept it with a smile and do full justice to it.

**6. Initiative and involvement:** Don't behave like a typical employee. Get involved in the crisis management within the company.

Understand the priorities in the organisation and give your suggestions. Show initiative and assume responsibility for implementing some of the suggestions.

**7. Try and cut costs:** If you are involved in incurring costs on behalf of the company, think of ways to cut costs.

Travel, telephones, stationery, entertainment, staff welfare are some common areas which always have scope to cut costs and these do not affect productivity.

**8. Acquire new skills:** Try and acquire new skills which will be helpful to you as well as the organisation. In recessionary times, multitasking is a favorite buzz word.

For example, an organisation might look at training area and combine it with other functional area. In such cases, it's a good time to hone up your communication and training skills.

Similarly, there can be innumerable instances of combining tasks and deploying employees with such abilities.

**9. Control your expenses:** Being a definitely an uncertain time, it's important that not only you save costs for the company, but also for yourself. This doesn't mean you have to get stingy but avoid or postpone all such expenses which have no impact on your personal and professional well being.

Find new ways to recreate yourself such as a walk in a park instead of a long drive, watch a movie at home instead of at a multiplex, have a party at home instead of an expensive pub and avoid purchases of life style products and stick to the essential and basic things.

**10. Relax and meditate:** The pressures and tensions mount by the day and uncertainties can keep you on tenterhooks all the time. Job related stress factors are silent killers and can adversely affect health.

Develop healthy habits such as meditation and yoga to counter the day to day problems. A recession is a temporary phenomenon and one can look at it as period of correction. It's not only a correction for the stock markets or property sector; it's more a time to check for loopholes in our work culture and personal life style and value systems. A positive attitude and a productive work culture is a must to keep us in good stead during these difficult and challenging times.

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