



Why Your Workers Matter—Even When Work Is Slow

Maintaining your roster when budgets are tight should remain a priority for contractors interested in future growth.

By Chuck Ross



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Maintaining a workforce during a downturn can be a challenge—an employee's salary and payroll taxes can make appealing line items to cut when bills are mounting faster than income. However, experts say such a move can prove shortsighted once business returns. Plumbing contractors should consider other cost-cutting measures before they start reducing their roster.

"The clients I work with look at cutting workers as their last cut," says Jayme Broudy, founder of Contractors Business School, a national training and consulting organization based out of San Luis Obispo, Calif. "You want to look at the other cuts first."

Shawn McCadden, an independent consultant to remodelers and other contractors based in Groton, Mass., agrees with Broudy's assessment. He sees good employees as an investment of both time and effort. Letting workers go, in his opinion, means losing an asset that you'll only have to replace later.

"If you've already made this investment, then there are some good reasons to keep those employees there," he says. Successful employees help build trust-based relationships with your clients, he notes, adding, "you have to earn that trust, and that's a value to your company."

Both Broudy and McCadden believe it's important your employees understand that you're committed to keeping them on board. When the economy is unstable, it's only natural for workers to wonder how a business downturn might affect their job—and to seek other employment if they think a layoff is imminent. Be as transparent as possible about your business' condition, so your employees can trust the paychecks will keep coming.

"If you don't communicate what's going on, then they're going to make up stories based on what they think is going on," McCadden says.

One tactic he suggests is posting a current schedule of jobs your company has lined up, along with the corresponding work assignments. When there is work in the pipeline, a published schedule can help reassure workers that they'll be kept busy for the foreseeable future.

If your payroll costs simply must be cut, there are alternatives to actual layoffs. McCadden suggests looking at ways to spread the pain a bit. Reducing everyone's workweek to 32 hours could be one way to maintain your staff, while still reining in payroll costs. Or you could ask staff to consider taking a couple weeks of unpaid vacation time to help you through a temporary cash crunch.

If you have strong relationships with other plumbing contractors in your area, Broudy suggests investigating whether they have temporary workforce needs that your workers could fill. A gentleman's agreement to share employees temporarily could serve everyone's interests, helping you maintain a connection to workers you can't afford to pay yourself, and providing a short-term solution for another contractor who may not want to take on another full-time employee.

There may come a time when layoffs are your only financial option. In this case, Broudy recommends that contractors not resort to a last-hired/first-fired approach to determining whom to cut. Instead, take time to evaluate overall performance and identify the workers you can least afford to lose.

"You want to know who on your team is the cream of the crop," she says. "I'd identify a core group of people to keep on during these times."

On the other hand, for contractors whose finances allow for some expansion, the current downturn could be a good time for bringing on new workers. Investing in your workforce today will help ensure your business is in a good position for growth once the economy starts growing again.

"Not only is it a time to keep your good employees, it's also a time to think about recruiting good talent," Broudy says. "That's the thing that helps our businesses thrive."

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