

Alternatives To Hiring More People: Tips For Managers

In times of tight budgets and low growth, managers need to think twice before hiring more staff. Hiring people is expensive, time consuming, and even a bit risky if you later find out that you don't really need more employees. Smart managers consider the alternatives that are available to increase productivity long before they start new hiring permanent employees. Here are some alternative steps to consider before you add more headcount.

Increase the Number of Hours Worked

1. Offer overtime work to existing workers to increase production output.
2. Ask exempt workers to work more hours (for a short duration) during this "tight period."
3. Ask workers to work on holidays or on weekends (at increased pay) to increase total output.
4. Reduce PTO like sick and vacation days to increase the number of hours worked.

Increase Worker Productivity

5. Re-train your employees in order to increase their skills and effectiveness.
6. Re-train your managers in productivity tools and approaches.
7. Explain the situation and ask workers to do "more with less."
8. Solicit and reward suggestions from employees, suppliers and customers that increase productivity.
9. Increase the use of "distributed metrics" to help employees see their high and low productivity areas.
10. Re-design key jobs to eliminate low value work and duplication.
11. Increase production targets and use "stretch" goals.
12. Implement quality or cost control programs to increase efficiency.
13. Offer productivity incentives to your team.
14. Offer individual productivity incentives.
15. Shift pay to a "piecework" basis.
16. Offer incentives for bottom performers to leave (or fire them), and then hire average or top performers to replace them.
17. Do an assessment of each management process and minimize/stop doing low-value steps.
18. Reduce team size or change team composition to increase effectiveness.
19. Increase safety and stress reduction programs in order to reduce "downtime."
20. Develop more effective scheduling programs to insure that shifts are not under- or overstaffed.
21. Forecast future headcount needs so that you are not overstaffed.

Change the Tools

22. Buy new technology and use its increased capabilities to reduce the need for people.
23. Update or buy better equipment to increase productivity without increasing your need for more people.
24. Use the web to allow your employees, suppliers and customers to do more of their work in a self-service mode.

Use People Who Don't Add to Headcount and Can More Easily Be "Let Go"

25. Outsource key production, MIS, or product components to vendors.
26. Outsource transactional or low-value "overhead" functions to vendors.
27. Build strategic partnerships with other firms and let them do a portion of the people intensive work.
28. Hire consultants or contractors for short-term needs.
29. Hire temporary or seasonal help for short-term work.
30. Hire part timers who are willing to work only during your peak periods of need.
31. Hire interns or college co-ops that are cheap and easy to let go, but do not add to headcount.
32. Re-deploy workers internally from "slow" divisions or jobs (recruiters for example) to those areas where the help is needed.

Other

33. Add website ordering or increase PR and advertising to increase sales without needing to hire more sales people.
34. Lower the pay of new hires and or lower the hiring qualifications, then increase the number you hire in proportion to the savings.
35. Reduce costly overtime hours and hire more staff to do the same work cheaper during regular hours.
36. Hire people in low cost labor areas (countries and geographic regions) who can do the same volume of work that is now done in a high labor cost area.
37. Reduce quality/reject standards to increase short-term productivity.
38. Cut the number of meetings and do more remotely. Reduce hour-long meetings to 50 minutes.
39. Reduce overhead function headcount to match reduced "headcount ratio" targets.
40. Re-design jobs so that some workers can be shifted to exempt status (saving overtime costs).
41. Force people to take unused vacation to cut costs (due to accounting rules).
42. Benchmark other "low headcount ratio" firms to see what tools and strategies others have used successfully.

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