

Make a New Year's Resolution to Staff Smarter

Categories : [EMPLOYER HOT TOPICS](#)

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Companies across the country have been trying “to more with less” for years now. But by attempting to “run lean”, many have overshot their goal and are now severely understaffed.

When understaffed, you are running “too lean”. You are not creating value. You are creating holes that have to be filled with overtime and multi-tasking employees. In the long-run, understaffing will cost you more.

This does seem counter-intuitive. Employees love overtime, and most readily agree to take on new job responsibilities. However, even on a good day, it is hard for a fully-staffed team to meet goals and stay competitive. It is impossible for a chronically understaffed one to do so.

Understaffing impacts:

Productivity. Overtime will boost productivity at first, but – after 8 weeks – productivity rates will begin to drop to the that they erase all previous gains. This leaves you no better off than you were before, but now you have tired/stressed employees, astronomically high overtime costs and lower product quality.

Employee health/stress. Stress is a part of life, but it does have a cost. 7 out of 10 employees who suffer from workplace stress get sick. This increases absenteeism/turnover, increases health insurance costs/compensation claims and reduces productivity.

Turnover. Burned out employees are not loyal employees. After only a short period of time – weeks actually – any extra money earned from overtime begins to lose its luster. Your skilled workers know they can find opportunities elsewhere, and they begin to look. Once they are gone, you have lost not only their skills – but their knowledge.

Ability to grow. Lowered productivity impacts your employees' ability to meet deadlines, manage existing workloads, and interact effectively with customers. If they cannot keep up with the current workload, how can you accept new business opportunities?

Product Quality. When employees are stressed and constantly under pressure, they focus on getting the job done vs. getting the job done right. Attention to detail takes a backseat. Mistakes happen, and mistakes will cost you money.

Customer relationships. Delivery and quality issues lead to lower customer satisfaction. This is exacerbated if customers contact you and their problems remain unresolved or unanswered .

Understaffing does not save money. It can cost you employees, profits, current customers and opportunities to grow your business.

But you can turn it around, by staffing smart. Work to better align your production and service processes with your demand. To do so, you will need to:

- Plan your workforce needs around predictable levels of seasonability.
- Recruit around the skills shortage by continuously and creatively recruiting for the skills you need.
- Overcome hiring freezes by embracing a contingent workforce strategy to help you fill gaps.

[Get the help you need.](#) At Snelling, we understand staffing issues. Staffing is what we do best. We execute staffing fundamentals better – the things like sourcing, screening, selection and service – to deliver reliable employees at a reasonable price. We have been doing it for over 60 years, and we have the record of success to prove it.