

Think twice on cuts

BUSINESSES should think twice before cutting staff numbers to cut costs, according to Our CFO at 10X Geraldton accountant Greg Smargiassi.

He said strong leadership was the key to helping businesses survive the downturn and staff cutting could actually hurt the company.

"Shedding staff may seem like an obvious cost-cutting measure but managers don't realise the impact such a practice may have on workplace spirit and staff morale," he said.

"Job insecurity is detrimental to staff motivation and is likely to result in reduced workplace productivity.

"Although management may have made the decision as a way to decrease costs, the opposite is often what actually occurs."

Mr Smargiassi said he had seen many employers fall into the staff cutting trap recently and encouraged anyone considering doing the same to make other changes first.

"Business owners must lead with vision, connect with their employees, implement high performance management practices and have a positive attitude," he said.