

Mixed Fortunes for Engineers and Their Colleagues



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Results from Reed's recent report 'Meeting the People Challenge' indicate that employers large and small have been seeking alternatives to redundancy, such as extended holidays and flexible working schemes. Whilst many engineering firms have been unable to avoid lay-offs, others have fared better and are now planning to hire. Mark Blay, Area Manager for Reed Engineering in St Albans, agrees that many of his clients have sought to avoid redundancies – but for many, it's just not possible: 'There have been more instances of unpaid leave; less so for reduced working hours,' he says. 'And of course, some companies regard the current situation as an opportunity to have a clear-out. But good candidates – people who in a different economic climate would have a choice of new roles – are still being released.'

No choice

Amongst Reed Engineering's clients, candidates in electrical and mechanical maintenance jobs have been in the firing line. 'If order books are down, and production lines are not running at full capacity, there's less plant to look after,' says Blay. 'Although building maintenance people have been less adversely affected.' Many organisations are holding on to key senior people in readiness for a future surge in business. Yet companies with more complex hierarchies have been forced to strip out layers of management. According to

Blay, business development and sales people in consulting firms have been hit hard: 'Even though market forces are mostly to blame – rather than poor selling or account management skills – if business isn't coming in, companies can't afford to employ them.'

Engineering employers don't appear to be stepping up with temporary recruitment, despite that being the case in other sectors. 'It can appear unfair making redundancies and subsequently hiring temporary employees, but the temporaries regularly have varied skill sets, whilst enabling short-term flexibility, and can be released at a moment's notice. Once order books improve and there is a more confident long-term outlook for the companies concerned, they may then revert to permanent hires.'

Weathering the storm

Some smaller, more agile organisations seem to be weathering the storm better.

Kevin Marley, Operations Manager at Radiocom, a wireless communications business specialising in voice and data solutions, says, 'We run a tight ship and provide a diverse range of services. So although the recession has meant that the volume of work has reduced, we have increased our sales force and therefore not needed to consider redundancies or alternatives to redundancies.'

And because the workforce of 25 all work closely with each other, internal communication programmes haven't needed to be stepped up – Marley says staff fully understand the effects of the downturn on business. But reflecting a trend in other industries, Radiocom has maintained its training investment, so that the right skills are in place for the upturn: 'We want to respond swiftly to our customers when things ease up,' he says. 'That means ensuring our engineering staff are better placed to deal with increased demand. Looking ahead, we may expand the workforce as the economy comes out of recession. In the meantime, enhancing the quality and capability of our existing staff seems the sensible thing to do.'

Red tape blues

The Reed report indicated that organisations across all sectors are finding bureaucracy getting in their way, at a time when they need to channel their efforts into safeguarding revenues. Respondents cited onerous, complex employment legislation and EU regulations, tighter

diversity monitoring procedures and the omnipresent 'health and safety' as having been exacerbated throughout the recession.

For smaller businesses in particular, employment-related red tape can present obstacles, even in good times. 'It's certainly a factor for us,' says Marley. 'There are always government directives to deal with, that tend to add to our workload. Especially as, like many smaller employers, we don't have dedicated HR staff; those responsibilities fall to the Finance Director, Sales Manager and me.'

Although current signs are cause for cautious optimism, Blay says most of his clients tell him that finally pulling the engineering sector out of recession will remain a challenge: 'People are saying the worst may be over but they just can't be sure,' he says. 'No-one's expecting their order book to suddenly start filling up one day and have everything return to a pre-credit crunch scenario. In my opinion, the process of re-hiring and building up workforces again will be conducted cautiously.'

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