

Retention of Workers

In times of a booming economy the recruitment of workers and the payment of attractive and lucrative wages and salaries was the order of the day. Today, most will contend that this has changed, with the downturn in the economy having to take the blame for this. It is debatable whether this argument has merit, or whether it is convenient for those who espouse it.

It cannot be denied that the global recession has taken a toll on the retention of employment levels. Governments as the single largest employer have joined private sector employers in the act of staff reductions. All of this is being done in the name of reducing the cost of doing business, creating efficiencies and maintaining a level of competitiveness. While all this seems idealistic, can it be considered as also being unrealistic?

Given the demands for increases in public services and for higher levels of productivity in both the public and private sectors, is it not a contradiction to remove large numbers from the labour force without first examining how best that they can be utilized or reabsorbed in order to realize the goals of attaining a productive workforce and for the country to be competitive? It can be logically argued that a reduced workforce will not serve the useful purpose of building the country's competitiveness. In small open economies where the human resource is the greatest available asset, especially where there are no natural resources to drive the economy, it begs the question of the logic behind this policy. It is understandable that wages and salaries constitute the largest expenditure of a business, and hence this may be rendered as the reason for the adoption of this strategy. The move to replace labour cost by replacing it with new technologies may seem to be the answer. Doesn't this too come at a cost? Is the use and maintenance of technologies not a recurring cost? Isn't keeping a pace with new technologies not relatively expensive?

All of this points to some serious contradictions. We are left to query whether it is that the industrialized societies of the world have found a new way of halting the growth path of small developing societies, or is it that our dependency syndrome

has stifled both our initiatives and creativity which are being touted about. It is unthinkable that the economy of any country will grow at any alarming rate if a high percentage of its able bodied workforce remains unemployed. If governments depends heavily on income taxes and other forms of taxes such as Valued Added Taxes (VAT) paid by consumers on the purchase of goods and services, isn't this enough reason for keeping persons employed?

It is almost laughable that the current practice is being employed in the private sector where employees are offered early retirement or separation packages, only to find that soon thereafter some of these same companies commence the process of the recruitment of contract labour. What is interested about this is that they offer positions that have attractive salaries at the top end, with a package of benefits. There is also the developing trend of attracting workers from abroad and/or engaging part time and temporary staff. The out sourcing of business has also become a viable option.

What are the solutions? Creating and investing in new business initiatives is clearly the answer. To begin with, government by setting up more agencies that are in the business generating income can assist the job market crisis. The development of public –private sector partnerships must be pursued as a means of creating new avenues of employment. Facilitation on the part of government should be enough to give the private sector the impetus it requires to invest in new business ventures.