

How Does the Economic Crisis Affect Morale in the Workplace?

Interview With the Crisis: The First HR
Conference on
Practical Solutions

Dr. J. Scott Hinkle
Clinical Training Coordinator

NBCC International

HR Management



- One of the greatest challenges facing business today
- People are the crucial resource in any business
- People in a business are an investment
- Organizations must be aware of the impact of the external environment
- And, organizations must meet corporate objectives

A Role for HR Managers



- An important HR strategy is *which strategies to avoid*
- HR professionals need to “keep one ear to the ground”
- What is the “big picture?”
- “Manager” is being replaced with “leader” or “coach” in some organizations
- Leading v. commanding

HR, Employee, and Work Crises

- HR advocates for employees, builds trusting relationships, but walks a “fine line” in relation to business goals
- Economic crises can result in employee/business issues such as layoffs
- Downsizing creates feelings of job insecurity

Affects of Downsizing on Employees

- ❑ Decreased productivity
- ❑ Lack of trust
- ❑ Low morale
- ❑ Reduced employee satisfaction
- ❑ Survivor issues –diminished trust in management & and have less job satisfaction

Dealing with Downsizing



- Tell survivors when lay-offs are over
- Use open, honest communication
- Communicate the system for making lay-off decisions – is it fair?
- Deal effectively with survivors' stress – offer counseling or career facilitation services to reduce job anxiety
- Deal with HR management issues related to *making* lay-offs

Results of Crises at Work



- ❑ Dysfunctional communication
- ❑ Longer work hours
- ❑ Increased conflict with co-workers
- ❑ Alcohol & drug abuse
- ❑ Workplace violence
- ❑ High stress levels (work & personal)

Work Stress



- ❑ Personal financial problems
- ❑ Inability to meet deadlines
- ❑ Less than optimal working conditions
- ❑ Unrealistic expectations
- ❑ Too much work/too little work
- ❑ Feeling a lack of control over work and personal life

Affects of Stress



- Poor relationships with peers, subordinates, and bosses
- (Marital conflict, single-parent responsibilities, dual-career couple conflicts)
- Numerous personal role expectations cannot be met simultaneously during high stress

Recognizing Stress in the Workplace

- High anxiety
- Withdrawal
- Emotional outbursts
- Difficulty concentrating
- Working a lot, not accomplishing much
- Loss of interest in accomplishment
- Vegetative issues

Effectively Managing Stress in the Workplace

Provide stress management programs

- Organize wellness programs

- Institute employee assistance programs

- Utilize GCDFs, MHFs and others to assist with helping the workforce