

## Leading Your Workforce During An Economic Crisis

By *Gregory P Smith*

In the days and weeks since the economy began tanking, the workforce has been on an emotional roller coaster. Some people have fallen to terrible lows of fear, uncertainty, and frustration. On and on it goes. While no one knows the outcome of our current situation, one fact is indisputable: the out-of-control emotions and the financial condition of our employees will have a tremendous impact on worker motivation, employee retention, and productivity.

How can business leaders lead in the wake of this crisis? No two people will respond to these events in exactly the same way. Some may seem unaffected, others may exhibit out-of-the-ordinary behavior, and still others may react in dramatic ways. Actions business leaders take today can help improve productivity, maintain motivation, and avoid a mass exodus of alienated employees when the economy turns around.

Managers have a critical role to play in these uncertain times; indeed, how managers treat their employees today will continue to resonate tomorrow. In offices across the United States, employees have been laid off while other businesses have closed their doors for good.

In times of crisis, communication is vital. One frustrated CFO accidentally blurted out to a few employees they were “lucky to have a job.” That one act did more to damage the morale and loyalty of the workforce than anything else.

Just as the United States is forming an economic plan to stabilize the economy, managers need a strategy for helping their companies get through the current crisis. I offer the following 10 steps—which are organized under the acronym TAKE CHARGE—for managing, motivating and leading your employees in a radically changed work environment.

**T-Target fears and anxiety.** People traverse through a span of emotions during crisis situations beginning with concerns over their job security, their compensation, and their ability to pay their bills. Announcements of job layoffs have exacerbated fear and anxiety. Managers should plan to address each of these concerns.

**A-Accept the fact performance and productivity will drop.** People respond differently in crisis situations. Expect to see people having difficulty concentrating, being forgetful, showing anger, and displaying increased absenteeism--all normal responses. People will need to talk more, a natural aspect of dealing with this crisis. The more they talk the healthier the organization becomes. Expressions of concern and help with simple, daily tasks will go a long way to improve productivity.

**K-Keep communication open.** During times of crisis and uncertainty, business leaders tend to hold information—this will wreck havoc on the motivation of the workforce. Meet with staff members at all levels to express concern, as well as to promote available resources and other services. Obviously, people want to know about the security of their jobs and their compensation. Focus groups and town hall meetings can go a long way in helping people deal with the situation.

E-Educate managers and supervisors. Human resource professionals, managers and supervisors should be equipped with the resources, information and authority to assist employees. Training should include how to identify and help with stress as well as other issues related to financial distress. Identify those most vulnerable and ask questions to determine how they are doing both at work and at home.

C-Calm, confident and reassuring leadership style. Don't underestimate the importance of your personal leadership style. Displaying a calm and confident style of leadership can go a long way in maintaining stability and productivity. Managers should attempt to compartmentalize their own personal fears and concerns.

H-Help those in need first. Make no assumptions on how people feel or how they have been impacted by this crisis. While many will share their feelings, others will try to manage the burden by themselves. Recognize some individuals may need professional assistance—so insure they understand how to access the employee assistance program. (EAP)

A-Allow people to display their emotions. People are as diverse as their emotions and they display them in different ways. Allow them to express their feelings and emotions appropriately. One business has established a monthly gathering called the "Rumor Mill Meeting" where they address all the misinformation and rumors circulated that month.

R-Restrict negative behavior. A crisis brings out the best and worst of people. Make sure your performance management process addresses performance issues brought on by the financial crisis. Be aware and take appropriate actions to prevent theft. Make clear, in no uncertain terms that behavior of this sort will not be tolerated and will be dealt with accordingly.

G-Get people to embrace and support others. The success of any business is the people that work there. Similar to an act of terrorism, a financial crisis creates psychological damage on self-worth—it violates them and attempts to rob them of control over their life. Management's role is to give control back to people. Interstate Battery Company is concerned about both the spiritual and emotional health of their workforce. Therefore, they have a fulltime chaplain to assist people with care and support.

E-Expect and plan for the long term. Unfortunately, this financial uncertainty is going to be with us for a long time to come. Insure you allow for activities to keep people motivated and engaged. Graham Weston, co-founder and CEO of the San Antonio based Rackspace Managed Hosting, finds this creative way to motivate employees and it has a big impact. Outstanding employees get the keys to the CEO's BMW M3 convertible for a week. He says, "When someone gets to drive my car for a week, they never forget it."

Applying these ten steps is not only the right thing to do; it is the smart thing to do from a business standpoint. Do not abandon your employees. They will remember how you treated them during this highly emotional time. If you want your organization to be a place the best and the brightest will want to work in the future, you must be careful what you do in the here and now.

### **Author's Bio**

Greg Smith's cutting-edge keynotes, consulting, and training programs have helped businesses reduce turnover, increase sales, hire better people and deliver better customer service. As President and founder of Chart Your Course International, Greg has implemented professional development programs for thousands of organizations globally. He has authored nine informative books including *401 Proven Ways to Retain Your Best Employees*. He lives in Conyers, Georgia.

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### **Additional Suggested Reading:**

1. *Casting the Lifeline: The Role of Human Resources in Helping Employee's in Crisis*. An overview of the precipitating factors of crisis, an explanation of the crisis continuum, and a description of the phases of crisis intervention as well as a useful explanation of the skills that Human Resource professionals can build to effectively aid employees in crisis.

By Joyce St. George, *Employment Relations Today*, Vol. 25, No. 2; John Wiley and Sons, Summer 1998

[http://www.pacttraining.com/resources/articles/article\\_lifeline](http://www.pacttraining.com/resources/articles/article_lifeline)

2. *Weathering Storms: Human Resources in Difficult Times*. A compilation of ideas and policies by leading HR professionals addressing the urgent consequences of the economic downturn.

By the Staff of the Society for Human Resource Management, the SHRM bookstore, 2008

<http://www.shrm.org/Publications/Books/Pages/Storms.aspx>