

Communicating During Tough Economic Times

March 2009

There's no question that we are experiencing the most dramatic financial collapse since the Great Depression. Every day brings new stories about businesses that haven't survived. Those that are still hanging on are tightening their belts, laying off workers, and shifting their business strategies.

As employees see reductions in benefits, layoffs, and other cost-cutting changes, they naturally experience a "psychological recession" where fear and uncertainty can run rampant, resulting in lower productivity, less focus, and declining morale. Overcoming the barrage of bad news while gaining trust and engaging employees to support organizational goals and current business strategies may seem like a Herculean task, but it can be done.

Jim Collins, in his book *Good to Great*, shares two things that companies and leaders must do during tough times: Confront the most brutal facts of the business' current reality, no matter what they might be, and retain faith that the business will prevail in the end, despite the difficulties. Companies that are able to communicate the unvarnished truth and create a vision for the future that inspires trust and gains employee commitment will likely be standing when the economy starts to rebound.

Here are some tips for communicating with employees during tough economic times.

Be open and honest

During times of uncertainty, people crave information. They want to know if their jobs are secure, how the organization is performing, what the plans are for the future and how they fit into those plans. It's especially important that communicators ensure a strong dialogue between leaders and their workforce. People will follow leaders through bad times if they are certain that the leaders are being open about the current situation and are keeping them informed. Remember,

the messages may not be pleasant, but employees have higher levels of stress when they do not know what to expect—and, generally, the higher the anxiety, the lower the productivity.

Continue to communicate your organization's vision, strategy, and progress

Make sure you communicate your strategic framework (mission, vision, values, goals) and explain what, if anything, may be changing

4430 Pebble Lake Drive
Pfaftown, NC 27040
Tel 336.924.5440
404.462.7141
Cell 336.287.5791
Fax 336.232.1701

to better cope with an economic downturn. Employees need to understand the organization's direction so they are not afraid, trust leadership, and feel they are headed in a shared, positive direction.

Get personal

When an organization's strategy impacts employees in such a personal and profound way, internal communication needs more personalized. Workers tend to distrust more traditional modes of corporate communication, such as newsletters, mass e-mails, and large meetings, and instead look to their direct supervisors for answers and guidance. Of course, they want to hear from senior management, but will likely look to their managers to interpret the corporate message.

The impact that face-to-face communication has can never be underestimated, yet it's one of the channels that's the most challenging to implement well. Managers with strong communication skills are imperative. Clarify the managers' roles in communicating with employees. Prepare them to answer questions and provide the tools they will need to communicate well (e.g., timelines, Frequently Asked Questions document, briefing materials, presentations, etc.).

Engage employees

In an economic downturn, employers need to work harder to ensure employees remain engaged and focused on their work. Listening to and acknowledging employees' concerns (through meetings, focus groups, intranet interaction, etc.) can go a long way toward sustaining engagement in your workforce. Information is empowering. And listening to employees may yield unique and effective ideas for winning new business, reducing costs, serving customers, etc.

Don't underestimate media's influence

You can't turn on the television, read a newspaper, or access the Internet without hearing a daily update on how bleak things are across the U.S. and other economies around the world. Employees can get specific company information from these sources as well. But as a communicator, you can help employees understand the news and data from your organization's perspective and provide a context that other media can't match.

Also, don't forget about the booming world of social media. In the past, employees usually turned to colleagues, friends and family to discuss workplace issues. Now they are as likely to use blogs, forums and social networking sites, such as Facebook. Social media and new technology makes the spread of information quick and easy. If a leader slips up, it can reach the media in seconds. An organization that treats employees badly can be vilified worldwide in minutes. Be aware of these media channels and their impact. And, consider using them in a positive way to disseminate accurate information (for example, through a CEO's blog) and to solicit employee feedback.

Acknowledge positive news, too

Seek out and promote positive role models and good news stories. Sometimes we are so focused on the negative aspects of the recession, we forget to communicate positive news. Celebrate successes, however small, such as winning a new account or reducing costs, winning awards, thanks from a customer, etc.

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