

Staff Morale in an Economic Downturn

Dear Business Advisor,

With challenges in our market and the economic doom and gloom, we have laid off a few staff and resized our company to align with the current business. As a result and despite our best efforts, staff morale has dropped, which is reflected in production and interaction with management and customers. Can you make any suggestions?

Dear Business Owner,

Change, such as layoffs, will contribute to morale issues and this can be difficult to control but truly is nothing more than a reaction to situations around us. With business change and upheavals, each of us will react differently, sometimes subtly, but sometimes dramatically and morale changes will spread easily if not controlled.

To staff, morale is driven by what they hear and choose to believe. Morale is impacted by what is said to others and more importantly, by what is accepted as truth without investigation. Morale is nothing more than the process of HEAR – SAY in action. Morale is affected by the latest, greatest rumour that some people want to buy into; they're contagious and the anxiety they create is also quite contagious, which exacerbates the problems further before determining the cause.

Although an individual's reaction is highly personal, the group and community in which the employees live and work can profoundly influence their morale. We all have the ability to influence the morale of all others in our company either directly or indirectly and as such, we can be active creators to the conditions of which the term "morale" is rather broadly applied which is often through unfounded rumors.

Those who might believe they are victims of the circumstances around them can expand their opportunities to enjoy life by acknowledging the truth of this statement: "I am responsible for my own morale and for what I contribute to the morale of those around me."

So perhaps a good test for yourself and others is to ask whether you, or they have accepted this responsibility and I would suggest you ask this question. "Am I or, we really proud of the contribution to morale and more importantly to company's morale?" If negative, challenge them to drill down for answers and find the resolve to turn the situation around and communicate the positive moving forward.

Another twist to this thought is that "low" morale can actually be a good sign because changes that improve performance often produce anxiety. "High" morale on the other hand can also be dangerous as team members are usually less often challenging each other to improve.

The human mind tends to resist accepting responsibility by blaming others, by saying things like, "Well, it's partly my responsibility, but 'he/she' did it too (or) 'they' continue to do it to us." This built-in escape clause or cop-out behavior can delay effective action indefinitely. In accepting responsibility for something that is not working well in a relationship, a person may say, "Well, it's 50-50; it is half his/her fault." Alternatives are "He/she started it" or "She/he really has the worst half," or "There were good reasons for what I did."

Ever notice how some people give credit to others for their own morale, only when their morale is low? If morale is down, there is complaining – yet if morale is up they rarely talk about it. An individual cannot accept only "part" of their responsibility for what he/she does; each individual is 100% responsible for their own contribution. If a situation involves you or someone else, it is not 50 - 50; it can only be 100 percent as each person has 100 percent responsibility for his/her own part of what happens or doesn't happen.

So yes, morale can be affected by changes caused by an economic downturn. But it can be controlled through clear communication of the issues and challenges your organization is facing, reinforcement of positive behaviours and personal accountability.

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