

Managing During an Economic Downturn

By Kendal Bradley

No one likes uncertainty. As an employer, you must realize that now is not the time to create unnecessary stress for your employees. Ongoing high levels of job stress can predispose employees and employers alike to burnout and depression. Now more than ever, in the face of a global economic crisis, organizations must be delivering strong business results without compromising their employees' mental health.

For a workplace to be both mental-health friendly and at the same time perform strongly as a business, it must be directed by high-calibre managers who have strong leadership skills.¹ Bill Wilkerson, CEO of the Global Business and Economic Roundtable of Addiction and Mental Health, says "The value of a company's people is in their productivity, which decreases when they have to work in an atmosphere of fear, frustration, ambiguity and uncertainty. People will not be productive if you treat them poorly or unfairly." Employers, managers and employees have the ability to work together to inspire, motivate and positively affect the whole staff team.

During stressful times, employers need to treat their employees with fairness and respect, to ensure that they are able to move through this turbulent period with their health intact. The reasons for wanting to have mentally healthy workers are financial as well as ethical. Dr. Carolyn Dewa, a leading researcher in work and well-being, estimates that about eight percent of the working population has a diagnosable mental disorder.² If you have a team of over a dozen staff, there's a good chance that you are employing at least one person who in their life will experience mental illness. When the bottom line becomes insistent that you need to cut costs, taking a proactive approach to protecting employees' mental health is the right move. Through employers' benefit plans, it's employers who carry most of the costs of supporting and treating employees and family members with mental illness — not hospitals, and not the government.³

¹ Shain, M. Toward Optimal Health and Productivity (Part 2: A Resource for Leaders). The Neighbour @ Work.

² Dewa, C.S. and E. Lin. "Chronic Physical Illness, Psychiatric Disorder and Disability in the Workplace." *Social Science and Medicine* 51 (2000): 41-50.

³ Wilkerson, Bill. International Foundation of Employee Benefits' 41st Annual Canadian Employee Benefits Conference. Halifax, Nova Scotia (2008), www.mentalhealthroundtable.ca/aug_08/Cdn_Employee_Benefits_Conf_Halifax_Aug_2008.pdf

Working toward a healthy organizational culture may not be as complicated as you think. To create and preserve a mentally healthy environment during this time of extra stress, managers and employers can:

1. **Communicate.** Let your staff know how the global economic downturn is affecting your organization. Being as transparent as possible is a great strategy for reducing stress. Whether news is bad or good, employees will be grateful for being kept in the loop.
2. **Understand and empathize with employees who have families.** Parents, married or single, are under stress when future employment is insecure. As an employer, you can provide materials for employees to take home to their families that explain what is going on and increase their awareness of the resources and supports available to them through the organization's employee family assistance program (EFAP) or through community organizations.
3. **Keep connected.** Downsizing and other bad news can drive employees away, break friendships and damage relationships. Try to connect periodically with employees who have been recently let go, to reduce feelings of isolation. If you do not feel comfortable talking with the employee, find another manager who worked with them (closely, if possible) and/or refer the employee to a counsellor or career coach. Many studies in Canada and the United States have found that when the economy falls, suicides and hospital admissions for mental illnesses rise because of the increased stress and neglect by stressed people to look after their personal health.

Communication — it's the best way to keep staff productive, healthy and loyal in uncertain times.

George Bernard Shaw wrote, "The single biggest problem in communication is the illusion that it has taken place." Stress in the workplace often manifests as poor productivity because staff members become overly consumed with protecting their individual positions.⁴ Have employees work *with* you, individually or in teams, to create work plans and schedules. Contributing to the planning process can increase an employees' sense of control and consequently reduce stress.

Confusion and misunderstandings

Employees are, of course, people; they have complex, multifaceted lives outside of work. Changes and stress in an employee's personal life affect their work, and vice versa. Currently, with the marketplace changing so quickly, it can be expected that your staff will experience unusual levels of stress. High stress can cause temporary dips in productivity. If an employee who is normally successful at what they do is not meeting your expectations, ask if there is anything you can do to support them.

Job security is a major source of stress for most people. Try to reduce the amount of ambiguity by answering their questions as honestly as possible. In February and March 2008, almost 1600 interviews were carried out for Desjardins Financial Security's Health is Cool survey. Forty-

⁴ Wheatley, M., 2002. When Change Is Out of Our Control. <http://margaretwheatley.com/articles/whenthechangeisoutofcontrol.html> (accessed February 21, 2008).

three percent of respondents said that money problems were their top source of stress. You can only imagine how much higher the percentage must *now* be.

Healthy employment relations are supported by four factors: trust, commitment, communication and fair decision-making.⁵ Research shows that employees trust leaders who are fair, as demonstrated by consistent, predictable, coherent and transparent actions on their part.⁶ Leaders' behaviours have a strong effect on an organization's climate!⁷ Walk the talk: exemplify behaviours and attitudes that promote mental health, such as working toward finding a work/life balance, building healthy relationships with colleagues, and taking control and ownership over work outcomes.

Providing feedback?

It can be difficult at the best of times to receive negative feedback. It is crucial that feedback is framed in a way that is honest and respectful, adding as little stress as possible.⁸ Avoid being perceived as a bully. Proper framing and delivery of feedback is essential to creating a mentally healthy workplace. Let employees know that they are appreciated; monitor their work and congratulate them when they are doing a good job. Providing feedback and recommendations to your employees is an essential part of performance management, and continuing to provide feedback is important whether times are stressful or not.

Let employees participate: choice and control

One of the most successful and inexpensive ways to improve morale is to make sure that employees have some choice as to how they work and what they are working on. Employee engagement can be increased and perceptions of stress decreased by applying two simple principles: allow employees to make some decisions about how they work, and explain to employees how their work impacts the organization as a whole. When employees participate in decision-making processes, productivity is estimated to rise by 2–5 percent.⁹ Employees decrease their resistance to change when they participate in decision-making regardless of the final decision, because they increase their personal ownership and understanding of the decision. Increased communication can serve to increase employees' sense of control over their work because they believe they have the power to make changes that could improve results and allow them to succeed. Employees who have some control over their work scheduling report higher performance ratings, less stress, greater overall well-being, and reduced work interference with family life.¹⁰

⁵ Lowe, Graham S. High-Quality Healthcare Workplaces: A Vision and Action Plan. *Healthcare Quarterly* 5 (2002): 49-56.

⁶ Best Advice on Stress Risk Management in the Workplace. Health Canada (2000). www.hc-sc.gc.ca/ewh-semt/alt_formats/hecs-sesc/pdf/pubs/occup-travail/stress-part-1/stress-part-1_e.pdf (last retrieved: April 18, 2008).

⁷ Aarons, G.A. and A.C. Sawitzky. Organizational Climate Partially Mediates the Effect of Culture on Work Attitudes and Staff Turnover in Mental Health Services. *Administration and Policy in Mental Health and Mental Health Services Research* 33 (2006): 289-301.

⁸ Dianne Hales & Lara Lauzon. *An Invitation to Health*, First Canadian Edition. Toronto: Thomson Canada Limited (2007): 50.

⁹ Lowe, G.S. High-Quality Healthcare Workplaces: A Vision and Action Plan. *Healthcare Quarterly* 5 (2002): 49-56.

¹⁰ Maruyama, S., K. Kohno, and K. Morimoto. A Study of Preventive Medicine in Relation to Mental Health Among Middle-Management Employees (Part 2) — Effects of Long Working Hours on Lifestyles, Perceived Stress

High demands and little control over outcomes often make employees feel stressed and cause them to interpret the situation as unfair.¹¹ The amount of control desired typically depends on the individual's coping and decision-making skills. Supervisors should discuss with their employees the job demands and stressors involved in their job, how they would like to be managed, and how much control they would like to have. High levels of perceived control are generally associated with high job satisfaction, commitment, involvement, performance and motivation, and with low levels of emotional distress, physical symptoms and absenteeism.¹²

For additional information, visit:

- www.mentalhealthworks.ca
- www.ontario.cmha.ca
- www.cmha.ca
- www.mooddisorders.on.ca
- www.gwlcentreformentalhealth.com

and Working-Life Satisfaction Among White-Collar Middle-Management Employees. *Japanese Journal of Hygiene* 50 (1995): 849-860.

¹¹ Sparks, K., B. Faragher, and C.L. Cooper. Well-Being and Occupational Health in the 21st Century Workplace. *Journal of Occupational and Organizational Psychology* 74 (2001): 489-509.

¹² Spector, P.E. Perceived Control by Employees: A Meta-Analysis of Studies Concerning Autonomy and Participation at Work. *Human Relations* 39 (1986): 1005-1016.