

## Recession-Proofing Employee Motivation

---

(ARA) - As we hear more predictions of an economy showing signs of weakening, managers around the country are asking a couple of key questions: Are we prepared for a recession reminiscent of the early 1990s? Did we learn enough from experiences nearly a decade ago to improve how we perform in 2001? The answer: probably.

While the financial experts monitor and project the extent of an economic slowdown, little doubt remains that the early years of this decade will likely feature layoffs and restructuring across every industry. These staff reductions, or even the anticipation of them, can have a dramatic influence on employee motivation and productivity. Recognizing the warning signs of declining motivation and overall morale can allow managers to respond quickly with intervention strategies aimed at propping up declining productivity.

According to Brian Dailey, a business consultant to the staffing industry in Oklahoma City, there are many warning signs of declining employee motivation that can be expected during recessionary economic times. Some of these include: increased sick days as employees interview for other jobs, increased employee use of Internet time to surf job boards and send out resumes, fewer requests for long vacations, and greater interest among employees regarding company sales or financial strength.

Dailey suggests that while employee motivation may lag for a time, some incidental benefits to employers may include less tardiness and improved work habits as employees position themselves to survive potential staff reductions. Few employees will want to be perceived as marginal performers if the possibility of recession and restructuring looms in the near future.

The real challenge for managers is to develop strategies aimed at protecting employee motivation, despite the fear and concern normally attributed to tough economic times. Dr. Larry Craft, developer of the Craft Personality Questionnaire -- a tool that measures personality and motivation for pre-employment selection systems, understands the impact of uncertainty on employee productivity. According to Dr. Craft, companies looking to reduce expenses by slashing personnel need to take a hard look at the impact on current and future employees before choosing a course of action. "Future employees will tend to look for companies that offer consistency and will likely shy away from jobs in the long run where the potential for turnover is the highest." A company that receives media attention for staff reductions may find that candidates are few and far between when economic times allow for hiring increases.

Dr. Craft agrees however that most companies find it difficult to consider the impact on hiring it will undertake after a recession when the numbers suggest the need for staff reduction in the near term. His best advice is to understand the unique personalities of current employees and open the lines of communication early to avoid many of the problems associated with rumors and false claims.

Thousands of companies have used Dr. Craft's various testing services to do just that in the last two decades, and many find that the resulting productivity requires fewer staff reductions during tougher economic times. Rick Daughtrey, a consultant with CraftSystems(800.228.5866) of Bradenton, Florida, suggests that "it's really a matter of investing the time and resources on the right people and then cultivating them along the way, therefore reducing the need for cutbacks because the right people can typically pay for themselves over the long run."

Managers must learn to assess how they respond to good and bad economic times. Too many companies over-hire in good times and quickly look to downsizing as a temporary fix to slowing demand for their services. It has long been acknowledged that employees are a company's most valuable assets, but many are slow to recognize the full impact of these tough decisions on the motivation of surviving employees. A carefully thought out plan can go a long way in preventing the potential nightmare associated with cutting expenses while attempting to maintain productivity.

Finally, the biggest threat to employee motivation may be a shift in focus to self-preservation rather than team performance. What once was a finely tuned machine may break down as the individual parts become more concerned with whether they can meet their own goals, while failing to recognize that the team's performance may be their greatest hope for individual survival. The lessons learned from the early 1990s are simple: seek expert

advice in selecting the right employees for jobs, teach managers to incorporate an understanding of personality and motivation into their communication, develop a game plan that utilizes cross-training to add flexibility to existing staff, and if you must downsize, do it wisely and do it rarely.

For additional information on measuring personality and motivation, go to [www.craftsystems.com](http://www.craftsystems.com) or [www.daileyconsulting.prodigybiz.com](http://www.daileyconsulting.prodigybiz.com).

### **Short note about the author**

Courtesy ARA Content, [www.ARAcontent.com](http://www.ARAcontent.com); e-mail: [info@ARAcontent.com](mailto:info@ARAcontent.com)

---

Author: Dr. Douglas Waldo c/o ARA Content  
Article downloaded from page [eioba.com](http://eioba.com)