

Irrational fears can hit morale

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Take a worst-case scenario of the expected job-losses as a result of the global recession. Perhaps 10 or 12 per cent might be a realistic limit. But surely not 96 per cent?

That's the kind of imaginary mindset figure that is now haunting many of the workforce in the UAE, where a recent survey has shown that just 4 per cent of those questioned felt that their job was safe in the current crisis. The poll was conducted immediately after a number of real estate developers announced shock cutbacks in early December 2008.

For employers, such job insecurity may cause a virtual suspension of any planned programmes, including those, like recruitment, that are meant to secure the future of the organisation. In this confused atmosphere, with priorities disrupted and unfounded and exaggerated rumours swirling around, productivity can drop, valuable staff may start to leave, customers and clients can disappear, and things can just go from bad to worse.

Contract

Such conditions can cause serious wear-and-tear on the 'psychological contract' between employer and employee - a somewhat unquantifiable factor that may have a big impact on morale and output.

However, usually without realising it, most of us possess a kind of "emergency reserve" of effort that can be put to the use of management or not, according to our state of general willingness. This is sometimes called 'discretionary effort, and it can account for up to 25 per cent of daily work efficiency. And nothing plays more havoc with discretionary effort than escalating uncertainty.

One way that some employers react to this is the pretence that all is OK and everything is more-or-less 'business as usual'. At the sudden and unexpected end of the runaway property boom, in London in the 1980s, a young estate agent came to see me and admitted that he'd gone into denial about the situation. He had been insisting that there was no real problem but neither his staff nor his clients were convinced by this. This approach actually stood him in good stead when the market recovered again.

Just recently, the UK travel industry saw a big test of HR management when the country's two biggest tour operators were rumoured to be merging. The senior executive who ran the HR department of the smaller group knew better than to pretend that it was 'business as usual.' Faced with this huge challenge, she effectively invented a new HR capability - 'Uncertainty Management'.

Emphasis was shifted to 'delivery as usual', on the basis of manageable short-term projects. A high degree of realism and confidence was encouraged, with no empty promises about job security, but investments still made in recruitment, coaching and staff development in general, so that people were kept busy and excited about their future role in the business. Standards of executive dialogue improved dramatically. In particular, the HR department itself became recognised as an industry leader and a role-model when the proposed merger finally went through.

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