

# Credit crunch

**Companies that provide confidential support and guidance are less likely to feel the pressure of personal debt stress**



**The coffee house I pass every morning in a fashionable London street has ceased trading. The manager left a stark, black gravestone in the window, solemnly engraved with: "Sorry you have insufficient funds in your account. Thank you for your custom."**

This bitter farewell message to what was recently a well-heeled clientele echoes much of the despair now afflicting the workplace. As I write, borrowing costs have hit a six-year high against a background of plummeting share-values, relentless job cuts, and soaring fuel and food prices.

It means that many employees are anxious and stressed, leading to impaired performance. Employers have fewer resources with which to meet expected pay rises or to compensate for cost-of-living increases.

There is no doubt that the current economic downturn is here for a while and that difficulties in the property market are exacerbating the problems of employees who are already burdened with credit card and loan debt. Many also find themselves with negative equity in their properties and so there is no likelihood of them downsizing to release capital sums and clear debts.

Professional debt management advice will undoubtedly be the only way forward for deeply indebted employees and any resources that employers can provide, or services they can signpost, will certainly help lessen the anxiety of their employees and keep them focused on their work.

An individual employee's financial difficulties are clearly not the responsibility of their employer, however, employers do have every right to challenge employees where their attendance, work performance or productivity falls below the required standard because of external financial pressures and the subsequent stress that is engendered.

## Financial stress

You have only to consider how much pressure is kicking-in at the moment to realise that we are facing a dangerous build-up of workplace stress.

On the strictly rational side, you have the new burden of uncertainty, leading to loss of concentration, the greater likelihood of accidents and a generally run-down state of health, with increased absenteeism. To these, add the well-documented side-effects of stress ie hypertension, insomnia, anxiety, depression, headaches and digestive problems.

Then there is the irrational element of wanting to go into denial about the whole situation. Here individuals part company with logic altogether. For example, logically you might expect employees to react to difficult times by pulling a little harder, demonstrating extra loyalty and support, generally 'doing their bit' in a crisis. But once they're in denial, ethics and loyalty disappear. Suddenly it seems quite reasonable to use the company's time and materials to attend to personal financial problems. Some who had always been scrupulously honest find themselves steadily sliding into using the company's money as their own, and the option of losing themselves in a haze of drink or drugs appears attractive.

## Recognising the warning signs

With the onus on managers to lead and

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support their teams through difficult times, stress management awareness training is essential for team leaders to enable them to recognise the early warning signs and symptoms of stress, and to develop strategies for managing this. Not all managers are good listeners and communicators and, therefore, a communications skills module should be included as part of an effective stress management programme. Stress awareness advice and support will naturally be helpful to all employees in the climate of uncertainty that prevades the workplace and the economy, but it is no solution to the financial woes of employees who need to be properly empowered to deal with their personal debt problems.

## When they ask for help

The voluntary decision to ask for help is a favourable sign and an important step towards a solution. Clearly an open-door policy is essential, along with listening skills training for managers to enable them to get to the root of the issue and offer support and onward referral.

Among the more obvious guidelines is the advice to maintain an atmosphere conducive to confidences being revealed. Employees should be allowed to tell their story without interruption, and managers should try to identify - and address - the chief underlying problem, which may not be immediately apparent.

These listening skills can be highly developed through specialist training. 'Active listening' or the art of prompting a reluctant interviewee through minimal intervention is very important. Many top corporations organise formal training in this skill. Alternatively you could outsource the interviews to an external agency.

Getting the problem out into the open is an important achievement. As for the solutions, they will depend on individual



circumstances. Some employers will go as far as offering low-interest loans, paid back through salary deductions; others will offer instruction in money management and investment planning – a huge national problem with millions failing to budget for an orderly progress towards retirement.

Managers can't be expected to take responsibility for their employees' personal budgeting habits, but they can, at the very least, try to put them on the right path.

### How to encourage employees to ask for help

Personal finance is a sensitive topic and many employees feel embarrassed about asking for help. If your open-door policy hasn't drawn them in, you may be tempted to put more pressure on them to explain these pressing problems. Experience shows, however, that unsolicited interference will drive them further into their shells.

One option is to set up an externally managed specialist counselling service and helpline through a recognised employee assistance programme (EAP) provider that can give employees who may not know where to turn access to independent information on how to budget, prioritise debts and consolidate loans. Cost-per-head of an EAP is minimal compared to the cost of sickness absence, which it could help to sharply reduce.

The EAP may direct employees to a specialist debt counsellor who is able to act as a mediator between them and their creditors. In cases where the employer has made redundancies, this facility might form part of the redundancy package.

### Spotting the sufferers

The secret stress sufferer is a familiar figure to professional consultants but could go unobserved by a general line manager not trained to spot the symptoms.

Sufferers may appear agitated, depressed, moody and preoccupied. Stress-induced sleep problems can impair performance and absenteeism may become a habit as stress impacts on energy levels and motivation. Work-related symptoms include short temper, an inability to make plans, poor relationships and general loss of motivation.

I have a hunch that gambling addiction – in particular internet gambling – is the problem most likely to flourish undetected during the credit crunch. It is an activity totally geared to real life denial, with its artificial notions of effortless winning instead of earning. It is a temptation made worse by possible access to the company's online bank account and it is devilishly hard to spot. Yet, mark my words, the more the economic squeeze and mounting debts start to hurt, the more the gambling addict will rashly throw good money after bad.

### Awareness of help facilities

Ultimately it is the responsibility of the individual to speak to their manager if they have a personal debt problem that is impacting on their work. However, if their line manager is deemed unapproachable, then a trip down to HR may be useful.

Either way, it is important that action be taken immediately and problems not left to grow and accumulate with the thought that they will go away of their own accord. Burying one's head in the sand is not an option where debt is concerned, and professional support may well be the answer.

### The Author

**Carole Spiers** is a motivational speaker and authority on executive stress

### PROFILE: LISA WILLIAMS

Lisa is CV brand director for Takeda UK. She joined the industry 15 years ago as a representative with Rhone-Poulenc Rorer and spent the following nine years with MSD in brand management and sales management roles. She then worked for AstraZeneca as marketing manager for Crestor for four years before joining Takeda in February 2008.



#### What key piece of knowledge do you feel you couldn't do your job without?

Sound customer and environmental insight is vital as without it I would be operating in a vacuum of assumption and guesswork. I also appreciate the need to create engagement across the business for marketing plans to succeed.

#### Has it been a long road to where you are now?

Yes, but it doesn't feel like it. I have learnt a huge amount about what works and what doesn't from experiencing the culture and business practices of four very different organisations.

#### What is the best piece of advice you have ever been given?

In marketing – to be relentless in implementation, focus at least as much on bringing the plan to life as on the plan itself. Too many good ideas are written off as failures because implementation was neglected. In terms of personal advice – 'do one thing every day that scares you', it's a great mantra for challenging your comfort zone and developing yourself.

#### What is your biggest regret?

I have made a few mistakes, but as I have learnt so much from them I can't call them regrets. One thing I would have done differently – had I known then what I would be doing now – is I would have applied myself more to the sciences at school.

#### If you could change one part of your job with effect from tomorrow, what would it be?

Nothing. This is a great place to be right now, I have a great team and a fascinating market to work with. Ideally I would like to wake up and find the last remaining vacancy in my new team filled.

#### What do you most enjoy about working in pharma?

That every day is different and there is always a new challenge to be met. I enjoy the opportunity to effect change and to have true accountability for those decisions.

#### How do you think marketers need to evolve to meet the new demands of the changing customer base?

Marketers must become better at understanding regional variation and establishing the genuine current and future importance of emerging customer groups. We must also keep striving to find the perfect model for regionalising a core brand strategy so we can adapt quickly to those local needs.

#### If you were marooned on a desert island with only one book, one record and one luxury, what would they be?

Book – *A Thousand Splendid Suns* (Khaled Hosseini)  
Record – Groove Armada 'The Greatest Hits'  
Luxury – A solar powered, GPS-enabled laptop would be perfect.