

# Employee Communications in an Unstable Economy Maintains Productivity



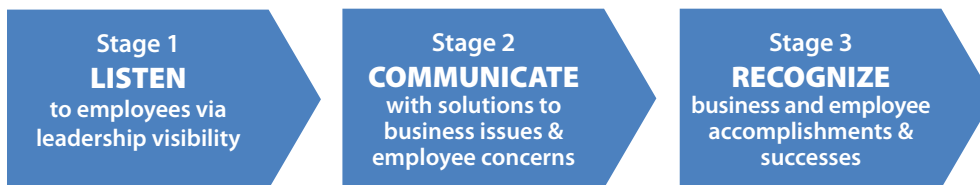
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The current economic downturn has impacted many industries, including healthcare. Pharmaceutical companies have faced significant layoffs this year with several thousand to date and more planned over the next several years.

Although drug makers are often considered recession proof, this current global downturn coincides with and compounds market factors that pose significant challenges for the industry: Blockbuster products going off patent within the next few years; competition from generic drugs; and a tougher regulatory environment add to the hardships. In addition, with increased unemployment and widespread reductions in employer-sponsored benefits across all industries, fewer people can afford healthcare, diminishing demand for medical products.

When profits are threatened, layoffs are often viewed as a way to reduce costs. While efforts are focused on managing job cuts, some companies leave remaining workers in limbo because they do not recognize the impact on them. Lack of planning, poor communication and low employee morale can lead to unforeseen attrition and decreased productivity. Amid uncertainty job security becomes a primary concern so cutbacks may not bring about the expected benefits.

## A Proactive 3-Stage Approach to Keep on Track



### STAGE 1: Listen to Employees via Leadership Visibility

Workers often worry they might be next so Stage 1—Listen—is vital to maintain trust. Being highly visible and approachable foster a positive work environment that is less susceptible to rumors. Gossip can also be curtailed if managers are more transparent with performance data, such as sales figures and customer data. Managers also should assure workers they can expect honest and timely information regarding future changes. Through personalized venues—such as one-on-one meetings, site visits and brown-bag lunches—company leaders make themselves accessible, encourage employee feedback and convey they care about their workers.

In-person meetings are the optimal mode of communication during a downturn, according to Joyce Buford, director of communications at a global healthcare company.

Buford explains that keeping employees informed and providing regular contact with leaders is vital. “Opportunities for senior leaders, human resources and communications members to collaborate

[helps ensure] that communications are as sensitive and humane as possible,” she says. “Managers must show that they are willing to talk about anything with their employees. They need to help employees feel comfortable asking questions, sharing solutions and challenging senior leaders when they disagree with them,” Buford adds.

### STAGE 2: Communicate with Solutions to Business Issues and Employee Concerns

In Stage 2, company leaders should focus on addressing the concerns expressed by employees in the listening stage with a clear picture of the company’s future that includes substantive solutions to business issues and the progress they are making. With a clear sense of their role to help achieve business objectives, workers can make valuable contributions, even in challenging periods. It is also critical to listen to employees’ ideas about managing the workload left by their colleagues who were laid off. “It’s also important to recognize the stress level of employees and try to engage them in activities to relieve stress,” says Buford.

### STAGE 3: Recognize Business and Employee Accomplishments and Successes

Focusing on quick wins and success stories along with recognizing employee accomplishments will help keep morale as high as possible. We all know that no one is immune from becoming despondent and unproductive working in a “doom and gloom” environment that is exacerbated outside the workplace by personal issues and an onslaught of negative news stories.

In Stage 3, managers recognize and thank employees with formal initiatives (e.g., small bonuses and plaques) or informal gestures, such as a warm “thank you” for a job well done. Acknowledging an employee’s contribution in a public setting with peers

motivates others to strive for similar successes. Buford uses the real-life example of one member of a team successfully securing FDA approval for a drug who was asked to tell other employees about it during a town hall meeting. By sharing her story and passion for her work, the employee felt appreciated. Her enthusiasm and commitment helped inspire others on long-term projects who may have been prone to feeling unappreciated. The employee who told her story has continued to receive recognition from colleagues.

Taking a proactive communications approach during these challenging times pays dividends. But these are unusual times with little indication of when the situation will improve. Organizations with a culture of listening, leadership visibility and access to information are far more likely to prosper than those that stagnate while leaders wait for the external environment to shape their future. **HBA**

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