

Effective People Management in a Downturn

In a challenging economic environment, where many businesses may need to downsize, it's even more important to focus on maintaining high morale amongst your workforce and managing people effectively so that they deliver the best results possible. Creating an engaged, high performing workforce can give your business a powerful competitive advantage.

Motivating Staff

Research has shown that higher levels of staff satisfaction result in better business results. People who have a positive attitude towards their work are more likely to generate customer satisfaction and achieve above average productivity. Companies that achieve higher levels of staff satisfaction have higher profitability and lower staff turnover.

What Makes People Feel Motivated?

The factors that motivate people will vary depending on the environment they work in, but there are some common themes. Workplace survey specialists, JRA, have identified the following drivers of employee engagement (the extent to which employees mentally, emotionally and physically apply themselves to work).

- 1 Communication is open and honest.
- 2 People feel informed about the organisation and its activities.
- 3 The organisation is a fun place to work.
- 4 People are able to rely on the support of others in the organisation.
- 5 People feel that their contribution is valued.
- 6 People feel that there is a future for them with the organisation.
- 7 People feel a sense of belonging to the organisation.
- 8 Career and personal development opportunities are offered by the organisation.
- 9 People are encouraged to try new ways of doing things.
- 10 People feel a sense of personal achievement through their job.
- 11 People feel the work they do makes full use of their knowledge and skills.
- 12 People feel they are working for a successful organisation.

The best way to find out what the key motivating factors are for your people is to ask for their feedback. An anonymous survey will ensure that people give open and honest feedback and tell you what they really think. If there are any aspects of work that people are not happy with, the survey data will provide a good starting point to make improvements.

How Can You Improve Motivation and Morale in Your Workplace?

There are four key areas to focus on to create a great workplace.

1. Define a vision and values and make them real.
Make sure that your staff are clear about the strategic goals of the organisation and what they each need to contribute to make the business successful. Regular communication about how the company is doing is also important.
2. Develop a community where people feel they belong and are optimistic about the future.
Creating a family environment where staff feel a sense of connection with their colleagues will help you to maintain high morale.
3. Create a high performance culture.
It's important to define what "good" performance looks like and to hold people accountable for achieving results. Staff are motivated by working towards specific, measurable and challenging goals. A focus on celebrating success is also critical in building staff morale. For more information, please refer to our article on High Performance.
4. Help people to realise their potential.
To keep people interested in their work, ensure that you provide ongoing challenges. Sometimes this means broadening the range of responsibilities if there are limited opportunities for promotion. Investing in training and development for your people is also essential in creating a great workplace.

Adapting to a Challenging Business Environment

Maintaining open communication is important even when there is difficult news to share. Fear of the unknown can have a worse impact on your staff than being informed about the challenges facing the business. If you keep people in the loop, you have the opportunity to create a team focus on problem solving and tap into the creativity of your staff. You may be surprised at the contribution they can make in helping the business to succeed.

While staff turnover rates reduce during a downturn, you can't become complacent about retention. The top performers in an organisation will be marketable in any environment and it's the poor performers who tend to stay put. It's important that you are aware of who your high performers are and employ the above strategies to engage and retain them.

You may feel that your ability maintain high morale is compromised because you can't afford pay rises or other rewards that you've provided in the past. The key things to bear in mind with remuneration is that people want to be paid a fair market rate and to be rewarded for high performance. Pay rises are expected to flatten out in 2009 so expectations will be lower. It's important to manage your remuneration budget effectively to reward staff who produce results. Sometimes an investment in development activities is appreciated more than a pay rise.