Fostering Healthy Workplace Communication During the Economic Downturn

Research and experience tell us that effective communication engages a workforce in ways that can enhance business performance. And in tough times, effective communication with employees is more important than ever. To strengthen your workplace culture and your bottom line in these turbulent times, Praxis Consulting Group offers the following guidelines for sharing difficult news and bringing your employees into the conversation about coping with the current economic uncertainty.

1. **Communicate Early and Often.** The economic situation creates uncertainty about how companies will fare and how individual employees will be affected. This uncertainty not only creates anxiety in a workforce, it demotivates people. If you have information, share it. And if there are questions you can’t answer, tell people, “I don’t know, and here’s why....” Sharing everything you can creates trust in your organization. Even if the picture of the future isn’t clear, people will know they’re not being intentionally kept in the dark.

Companies tend to fare better when they communicate to their people everything they can about:

- How the economy is affecting the business,
- What the impact appears to be on current clients,
- Where the business stands today,
- What work is in the pipeline,
- What actions are being taken to step up marketing and sales, reduce costs, and position for the future.

2. **Foster Two-Way Communication.** Management research shows clearly that companies are more likely to succeed when employees feel that their ideas and input are requested and valued. Employee involvement is repeatedly cited as a core characteristic of high performing companies. Create channels for employees to think through and provide meaningful input to managers and top leadership to improve the top line and bottom line. If they feel they have been involved in shaping the strategy for weathering the economic storm, they’re more likely to implement the strategies well and to keep thinking of ways your company can reduce costs, produce more efficiently, and compete more successfully.
3. **The Good, the Bad, and the Ugly.** The best way to build trust with people is to give them straight talk – even if the news isn’t good. No one likes to deliver difficult news, and no one likes to hear it. You can minimize overreactions by employees if, along with the bad news, you communicate the leadership team’s action plan for responding to the situation. Use the mantra “No surprises” to guide your communication efforts. Of course this is easier if you’ve already established an open communications practice. But it’s never too late to begin. People will thank you later – by giving you their trust and confidence.

4. **Acknowledge the Stressful Climate.** Whether people acknowledge it or not, news of the economy has gotten under their skin. The American Psychological Association recently reported that with the onset of the financial crisis, more people are showing signs of stress, irritability, and anger. If behaviors that reflect stress come out in the workplace, give people the benefit of the doubt, while relying on your core values to manage the situation and maintain accountability. Recognize that unusual behavior may have causes that run deeper than what is on the surface. And be prepared to help people manage their stress as effectively as possible. During these times leaders need to listen more deeply and support their employees more strongly at the same time that they are making hard, strategic decisions for the company.

5. **Look to the Future.** Employees may focus on the past – the missed opportunities, the mistakes, and the knocks that resulted. Get them focused on the future by talking to them about opportunities and what’s next. Downturns, like economic booms, create winners and losers, and getting your people thinking about what they can do now and going forward enhances your chances of coming out on top. Don’t let the opportunities created by a good crisis go to waste. Use this moment to streamline internal processes, deepen relationships with customers, consider new products and services, strengthen people’s skills, refine your strategy, and reposition your company for the future. It will enable you to take best advantage of the upturn when it comes.

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