



Psychological Recession

ALIENATING EMPLOYEES AND HURTING AMERICAN BUSINESS

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A psychological recession is not just an industry buzz word, but a real phenomenon that holds real consequences. The United Kingdom experienced a psychological recession from 1990-1994, a phenomenon at that time of unknown duration and complexity. In 1990 Dai Williams, an Occupational Psychologist, started combining field notes of colleagues and other papers written over 8 years of observances to help others survive the UK Recession. Williams created a working definition

Recession Fatigue

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of Recession Fatigue as “A form of chronic psychological stress caused or exacerbated by an individual’s economic circumstances, and severe and prolonged enough to degrade their personal effectiveness in work or non-work situations.” For at least a third of the population the UK Recession was like a war without an enemy, causing thousands of fatalities and damaging the lives of millions more. A war might have been easier to understand and justify.

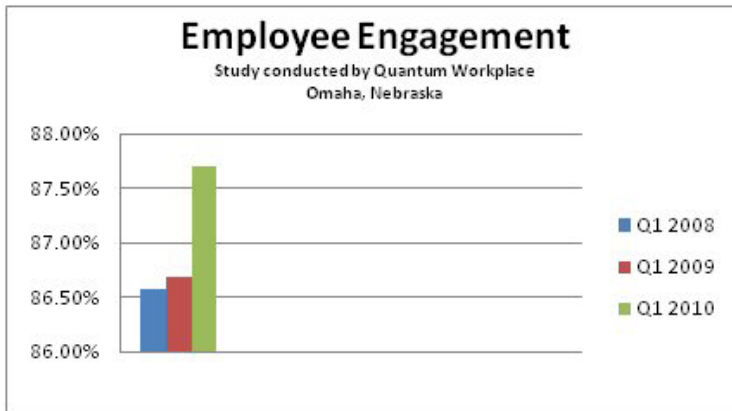
A psychological recession is much more than just an economic cycle. As it was in the UK and now in the United States, people are living a nightmare of broken careers, families, and future hope. When people are scared and depressed for a long time, despair and fear replace confidence and optimism. Judith M. Bardwick’s book, “One Foot out the Door,” describes a psychological recession as an “emotional state in which people feel extremely vulnerable to economic hardship.” People view current times and the future with the perception of the world as a risky place in which they have little or no control.

CHRONIC FEAR – THE DISENGAGED WORKFORCE

This anxiety plus the feeling of powerlessness are a “toxic mix” in the workplace. Chronically fearful people are too exhausted to be creative and innovative; they expect the worst to happen, and become preoccupied with the unknown. And if workers are not performing, the pressure on an organization’s financial health can be devastating – imagine a company where only 25% of workers are engaged in their jobs?

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Quantum Workplace, an employee ratings agency, conducted an engagement survey of 62,000 employees collected in the first quarter of 2010. The survey covered ten dimensions, including employee perceptions of senior leadership, team effectiveness, fair compensation, and manager



effectiveness. Although employee engagement is on the rise, there are employees who have experienced poor leadership over the last two years and are still disengaged and will leave for better work environments.

According to Quantum Workplace president, Gregory Harris, “The companies we

study who have the highest levels of engagement are not taking anything for granted right now. They are continuing to invest in their employees, and our data indicates they will be in a better position to make their way out of this recession than companies with disengaged workforces. These companies are winning because they have built an engaging culture.”


The widespread psychological recession is largely the result of organizations no longer considering employees as key assets. Feeling as if you are being endlessly pushed from here to nowhere and no one cares is not an ideal condition for individuals, their organizations, or the nation. We need leaders who really believe it when they say that people are their most important asset. There is also a need to research and review the long-term impacts of economic recession on society and its implications for Government policy, economic institutions, and the helping professions.



WHAT CAN EMPLOYERS DO ABOUT IT?

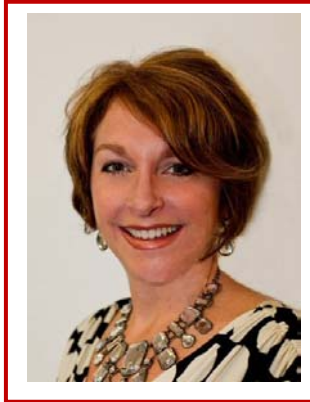
Those companies who want to regain workforce engagement need to focus on five solutions:

- 1 Getting leaders out front to talk with employees about the business environment and how the organization is responding as well as the long-term vision
- 2 Involving employees in efforts to manage costs to help them feel like active contributors
- 3 Communicating consistently and candidly about short- and long-term objectives
- 4 Listening and gathering input from employees
- 5 Promoting development opportunities so people can see a future for themselves

The fundamental rule of business and the only way to succeed long-term is to see the people you want to keep as key assets. If you see them as costs, you will not only downsize as the first line of defense in an economic downturn, but you will never treat your people with respect and trust; and those are key variables. If you do not respect them, they will not respect you. That is a negative situation, which is self-fulfilling. 

References

1. Dai Williams
<http://www.eoslifework.co.uk/daiprofile.htm>.
2. Judith M. Bardwick "One Foot out the Door" www.judithmbardwick.com.
3. Quantum Workplace
www.quantumworkplace.com.



About
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Jan P. Watson has over 20 years of sales and marketing experience and has gained national recognition as a public speaker, published author and consultant. Serving in various positions that encompass physician education and corporate business development, Jan has worked for medical device start-up companies, as well as industry leaders, such as AMO and Alcon Laboratories. For more information on this topic, please contact Ms. Watson at: jwatson@jpwatsongroup.com. Visit the J.P. Watson Group on the worldwide web: www.betterjobfit.com.

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