

What to expect in an economic downturn: trends, realities and forecasts

A Ceridian LifeWorks White Paper

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Executive Summary

Economists are predicting that the current economic downturn will be as deep as the Great Depression of the 1930s. Canadians working in virtually every sector are wondering what impact this will have on their workplaces, what societal trends will take place over the next few months and what long-lasting effects can individuals and companies expect?

Ceridian LifeWorks gathered information from Canada, the U.S. and the U.K. and found employees and employers can expect:

- An increase in mental health issues, including depression and anxiety;
- An increase in long-term health effects caused by chronic stress over extended periods;
- A few more cracks in the glass ceiling for women in the workplace, a change in long-standing gender roles, more marital difficulties and an increase in domestic violence;
- Different generations coping in different ways with younger workers feeling the most stress;
- A booming post-secondary educational sector as more young people opt to continue their education and displaced workers seek to upgrade their skills;
- Decreasing levels of corporate loyalty and trust;
- More aggressive workplace behaviours;
- Greater numbers of individuals and organizations utilizing social and professional networking sites as marketing tools;
- People turning to less expensive vacation and recreational options;
- A dramatic increase in bartering;
- A further drop in Canada's birth rate and increased global competition for skilled and unskilled workers as the economy recovers;
- Greater attention to corporate social responsibility programs as companies seek to gain consumer trust and a competitive edge.

Now is the time for organizations to seize opportunities to strengthen their footing and prepare for the inevitable economic rebound. Resilient organizations are those that can manage for performance and growth while also managing for adaptation. Companies are realizing that the only real capital they have is human beings and their creativity.

EAPs can help companies take advantage of the opportunities presented by a recession by:

- building a healthy, resilient, highly efficient workforce;
- increasing the talent pool from which to draw highly skilled people;
- Helping to increase market share/diversify interests;
- strengthening corporate reputation;
- creating higher turnover/revenue in the service and advisory sectors;
- developing flexible processes and procedures and improving lines of communication;
- helping reduce operating expenses;

This may be the worst of times for the economy as a whole but it can also be the best of times for individual firms to create value.

What to expect in an economic downturn: trends, realities and forecasts

Introduction

As the global recession tightens its grip in Canada and the unemployment rate passes 7%, employees are starting to become fearful of the future. With pundits predicting this current recession could be the longest and deepest since the 1930s and that the unemployment rate will continue to rise, their fears could become a reality.

But what exactly are these employee fears and what psychological issues and societal trends should organizations be ready to manage? How can companies support their staff after a downsizing and maintain productivity and morale while keeping a lid on benefit and other costs? Is there a way for leaders to manage the present while keeping an eye on the future?

The answers lie in history: all recessions have cultural and social effects, and in major downturns the changes can be profound. This current recession is no exception.

Fact

In January 2009 alone, employment fell by 129,000 jobs. This drop in employment exceeds any monthly decline during the previous economic downturns of the 1980s and 1990s.

The Current Situation

Canada has been hit by the one-two combination of a deep drop in U.S. spending and the collapse of commodity prices from their record highs in mid-2008.

In January 2009 alone, employment fell by 129,000 jobs, almost all in full-time positions and mostly among core-age adults aged 25 to 54, as well as among youths aged 15 to 24. This drop in employment exceeds any monthly decline during the previous economic downturns of the 1980s and 1990s.

A recent survey by Mercer Ltd. consultants found that 23% of Canadian employers are planning to reduce their staffing needs in the near future. The Paris-based Organization for Economic Co-operation and Development recently stated that the industrialized world is potentially facing eight million job losses over the next two years. Many of these people will end up on welfare, which is a social cost of recession unto itself.

How do employees believe the recession will affect them? According to a February 2009 Ipsos Reid study on employee relationship management, 24% of Canadians said they were very much concerned about losing their job during 2009 because of the recent market melt-down.

A breakdown of the various sectors reflects different levels of concern in different economic segments. Only 14% of public sector employees are concerned that this economy will put their jobs in jeopardy. But in the private sector, that concern is shared by 27% of employees. Not surprising, the manufacturing sector is the most anxious with 40% of employees concerned about job cutbacks and losses.

Nationwide, Eastern Canada is more concerned than Western Canada. In Ontario, 30% of employees are concerned, whereas slightly fewer (21%) of their counterparts in Western Canada share that concern.

Canadians in Financial Denial?

As job losses accelerate and credit becomes more difficult to obtain, consumers are cutting spending at the fastest clip in three decades and paying down debt for the first time in half a century.

But most Canadians seem confident they will weather the storm without having to dip into their retirement savings, according to a BMO Financial Group survey released in February. However, the survey found that most are also navigating their way through the downturn without any financial plan, suggesting they may be in denial.

The survey found that:

- Nearly two-thirds will cut back or are adjusting their everyday spending because of the unstable economy.
- More than 40% plan to change their current investment mix.
- Nearly 70% don't have a financial plan in place and 80% feel the current economic downturn is not enough of an incentive to create one.
- More than 40% do not have emergency savings set aside for unexpected changes in their financial circumstances.
- Nearly 70% are confident that they will not need to withdraw from their current RRSP savings in order to make ends meet.
- 60% will contribute as much to their RRSP this year as they have in the past, while 38% are not planning to contribute to their RRSP this year as they believe they need the funds now.

This despite the fact that pensions are being eroded, investments have bled billions in net worth, thousands have lost their jobs, and workers from P.E.I. to B.C. are facing wage freezes and cuts as Canadian employers are forced to trim costs.

The BMO Financial Group study also found that employees in general have a lack of knowledge about retirement programs, and feel the need to spend more of their income on expenses leaving less for savings and less room to maximize Canada Pension Plan benefits.

Another recent poll conducted for the Canadian Centre for Policy Alternatives found that nearly four in 10 Canadians believe they are just one or two paycheques away from poverty. The poll also found that 47% struggle with personal debt regardless of income and 26% say they are worse off than a decade ago.

And the Ontario Association of Credit Counselling Services reported that household credit grew 12.2% in the first six months of 2008, increasing at a pace not seen since 1990. The Association also reported that household debt as a percentage of personal disposable income is now more than 131%, the highest level on record.

What this means to organizations

In a March 2009 article for *The Atlantic*, Richard Florida, author of the global best-seller *The Rise of the Creative Class* and professor and head of the Martin Prosperity Institute at the Rotman School of Management at the University of Toronto wrote:

“Economic crises tend to reinforce and accelerate the underlying, long-term trends within an economy. Our economy is in the midst of a fundamental long-term transformation — similar to that of the late 19th century, when people streamed off farms and into new and rising industrial cities. In this case, the economy is shifting away from manufacturing and toward idea-driven creative industries.”

But such fundamental economic shifts also cause a paradigm shift in individuals and unleash societal trends that can have a profound impact on organizations of every size and in every sector. The following are some of the societal trends Canadian organizations can expect to witness over the next few months.

“The economy is shifting away from manufacturing and toward idea-driven creative industries.”

—Richard Florida,
author of *The Rise of
the Creative Class*



Increase in Mental Health Issues

Recessions and depressions are not good for mental health. Ninety-one percent of people with personal debt report deterioration in their mental health, notably with stress and depression.

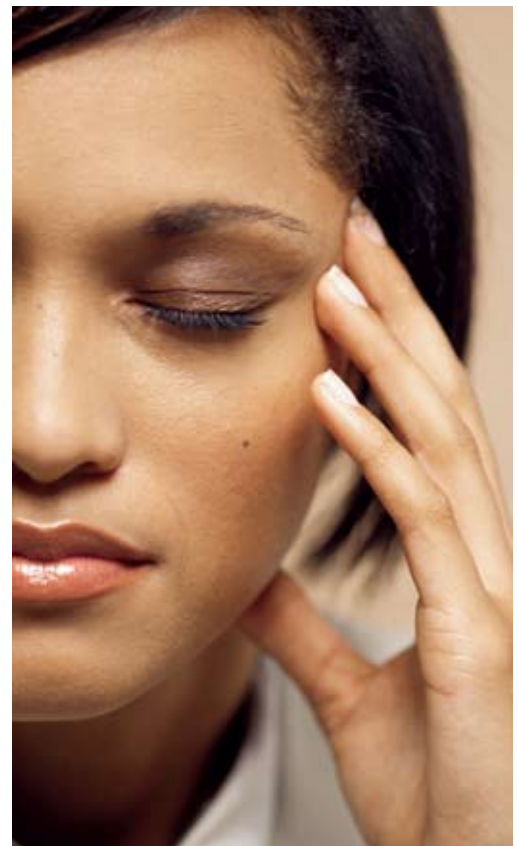
Months before the U.S. government started considering corporate bailouts, the World Health Organization issued a call for improved services to deal with a rise in mental health problems, linking a rise in suicides and the financial meltdowns. An American study suggested that each percentage point rise in unemployment produces a 7% rise in non-psychotic mental health disorders.

A long series of troubles — mental illness, substance abuse, unemployment, marital issues — can cause money woes to be the last straw. People can experience insomnia, digestive problems, headaches and other physical pain as well as concentration and memory problems. Some people will medicate themselves with drugs or alcohol in an attempt to get some relief. Statistics from around the world clearly demonstrate that substance abuse issues increase during economic downturns.

Long-term Health Effects

Chronic stress over extended periods can also lead to a range of long-term physical health problems including psychosomatic disorders, heart conditions and cancer. These lead to higher sickness absence rates, higher benefit costs related to prescription medications, greater short- and long-term disability rates and more early retirements.

Health experts are bracing for a spike in a demand for services.



At a national level the economic consequences of personal recession fatigue are increased stress and reduced efficiency in almost every sector of the economy.

Recession Fatigue

There is an identifiable syndrome caused by recessions. It's called recession fatigue and is defined 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."¹

There are two aspects to this syndrome — the personal experience and its practical features in work situations:

1. The personal experience of recession fatigue

- A growing sense of frustration, uncertainty, disappointment and ineffectiveness, often described as a sense of losing control
- Increasing tiredness, confusion, and malaise; feeling punch-drunk with too many problems to solve
- A feeling of personal isolation from family and friends at home and work
- A personal dilemma between the temptation to quit or give in to despair, and the courage it takes to hang on and keep trying.²

2. Practical features of recession fatigue

A number of practical features seem associated with individuals and organizations suffering recession fatigue, visible in their private affairs and their performance in work or business. They include:

- A heavy drain on resources, personal and business (loss of savings and capital).
- High input/low output, i.e., increasing inputs needed for decreasing returns.
- Fragmentation of human and physical resources, i.e., redundancy of experts and proliferation of struggling small businesses with vast duplication of office facilities for accounts, computers, etc.
- Declining personal efficiency, i.e., timekeeping, work backlog, mistakes due to personal stress, fatigue, and external disruption
- Decline in innovation, new projects and initiatives due to de-motivation, layoff of experts, lack of resources, and loss of investor (bank) confidence
- Increasing idle resources – unused or under-used people, offices, and equipment — due to high costs of start-up, high overheads, and unrealistic demands of lenders/investors
- Increasing misemployment — skilled people working in jobs wholly different from their training or wishes, doing the only jobs they could find after leaving college or redundancy. This is a waste of talent and education.³

Some of these features are the result of individual stress and fatigue. Others may be both the symptoms of one person or business failing, and the cause of increased stress to others. This then becomes a vicious cycle.

At a national level the economic consequences of personal recession fatigue are increased stress and reduced efficiency in almost every sector of the economy.

1—Psychological effects of the UK Recession 1990-94

2— Psychological effects of the UK Recession 1990-94

3—Ibid

Gender issues

An inadvertent consequence of recessionary cutbacks may be a few more cracks in the glass ceiling for women in the workplace. That's because 82% of North American jobs lost thus far in this downturn belonged to men. But gender segregation in occupations may also be at play because three-quarters of the workers in the health care and education sectors are women and these sectors are growing. At the same time, men represent 93% of workers in construction and 72% in manufacturing.⁴

Women are also more likely to work part-time than men, perhaps making them less vulnerable. When employers are actively cutting hours for the workers they do keep, it could be that those already working part-time have a bit more security as they are not likely to be receiving benefits and in general are likely to cost employers less than full-time workers.

In the U.S., women are poised to surpass men on the nation's payrolls, taking the majority for the first time in U.S. history.

For many couples, this means a change in longstanding gender roles. Some men find their traditional role as principal breadwinner has passed to their wives. The resulting loss of self-esteem can lead to depression and, together with financial concerns, put a strain on many marriages.

For women, becoming the principal breadwinner places additional strains on them. On average, employed women devote much more time to child care and housework than employed men do. But when women are unemployed and looking for a job, the time they spend taking care of children nearly doubles. Unemployed men's child care duties, by contrast, are virtually identical to those of their working counterparts and they instead spend more time sleeping, watching TV and looking for a job along with other domestic duties.⁵

It could be that for men — many of whom still base their sense of self-worth and status on their occupation — losing their job is more traumatic than it is for women.

New research conducted by the UK arm of Ceridian posed four interesting questions to UK workers:

1. What are you prepared to compromise during this downturn?
2. What do you fear most about the recession?
3. What will you put on hold until the uncertainty is over?
4. How will you prove your value at work in order to “recession-proof” yourself?

The research found that one in five survey respondents would put off splitting up with their partner as a direct result of the downturn.

In the BMO Financial Group study, 61% of women and 48% of men stated that if they became suddenly single it would have a negative impact on their finances. Only 38% had a financial contingency plan in case they outlived their spouse or partner.

Only 40% of women and 35% of men who were suddenly single were likely to have a financial contingency plan in case they outlived their spouse or partner.

Fact:

Remaining in a failing or dysfunctional relationship for economic reasons can place additional stresses on employees — stresses that can spill over into the workplace. Such situations can also lead to a rise in domestic violence.

4— New York Times
5— Statistics Canada

Generational Issues

In this negative economic climate when investments and/or retirement savings are compromised, a growing share of workers aged 55 and over appear to be delaying retirement, holding on to jobs or trying to find work.

In general, older workers tend to have relatively low unemployment rates, although that advantage is shrinking.⁶ Anxiety levels are also lower for older workers. They know the economy ebbs and flows and most have endured previous downturns.

This situation could be advantageous to downsizing organizations wanting to retain long-term, key staff or attract mature, highly-skilled talent.

But workplace and generational experts agree that the recession could come as a complete shock to Generation Y (children of Boomers born between 1977 and 2000), who have never before experienced an economic downturn as working professionals. This is not a generation that's been prepared to endure hardship, let alone face corporations in cost-cutting mode. They've taken job security and prosperity for granted.



U.S. economist John W. Mitchell states that just as the older generation was shaped by the Great Depression and the Baby Boomers' optimistic flower-child views were changed by the 1979-80 recession, so too will Gen Yers be changed by this current downturn.

Generation experts agree that Generation Y lacks coping skills. They were taught as children that they're all winners in order to build their self-esteem. Such child-rearing practices neglect to teach how to cope with real life or to digest criticism, generational experts say. Instead, those approaches to child psychology created a generation of young professionals who are unprepared for the sometimes harsh, often thankless environment that the workplace can be.

Consequently, when members of Generation Y are handed a pink slip instead of a promotion, the experience can be crushing. They might not be able to cope with a layoff because they don't know how to rebound. Even those who survive a downsizing will have difficulty coping.

But this downturn will likely mean a more prudent generation to come. A generation that grows up in a period of low stock returns is likely to take an unusually cautious approach to investing, even decades later.⁷ Similarly, a generation that grows up with high inflation will be more cautious about buying bonds decades later.

In other words, today's teenagers stand less chance of making foolish decisions in the stock market down the road. They are likely to forgo some good business opportunities, but also to make fewer mistakes.

6—Human Resources and Skills Development Canada

7—Depression Babies: Do Macroeconomic Experiences Affect Risk-Taking? Ulrike Malmendler, University of California and Stefan Nagel, Stanford Business School. 2007.

Education and Retraining

The post-secondary educational sector will boom during a recession as many young people will opt to continue their education until the economy and job market begin to improve. Others who have been out of university or college for a few years or longer, or who never attended a post-secondary school, will enrol in order to improve or upgrade their skills and increase marketability in an increasingly competitive job market.

According to Richard Florida, our economy no longer revolves around simply making and moving things. “Instead, it depends on generating and transporting ideas. The places that thrive today are those with the highest velocity of ideas, the highest density of talented and creative people, the highest rate of metabolism.”

Two obstacles will stand in the way of even more people seeking continuing education opportunities: smaller aid budgets at colleges and universities and cutbacks in corporate tuition reimbursement programs.

A 2009 report by the non-profit Educational Policy Institute predicted that post-secondary institutes will experience a jump in enrolment and dwindling government and private funding during the recession and will need to increase fees up to 25% in the next couple of years. If this occurs, post-secondary education may be beyond the financial reach of many Canadians.

Recruiting and Retention

A survey by the UK Association of Graduate Recruiters has found that half of young professionals now feel they lack good work-life balance and, despite the toughening job market, would consider leaving their jobs as a result.

The association recommended that managers resist the temptation to create a culture of fear within their organizations, as the long-term result is that workers head elsewhere as soon as they feel it is safe to do so.

Using fear as a strategy for imposing organization change can also result in dysfunctional staff responses including defensiveness, heads-down working behaviour, reduced feedback to management, and so on.

At a time when many organizations are under financial strain, it is very tempting to abandon policies that support work-life balance, and organizations that do, do so at their peril, according to the Graduate Recruiters Association.

Another U.S study suggested economic downturns do not encourage people to stay put and work harder. In fact they simply send levels of loyalty and trust plunging to new lows.

Once enthusiasm for and engagement with an employer brand was lost, the study said, it was very hard to recover.

Long hours, increased anxiety, uncertainty and stress put added pressure on managers to work hard to maintain the morale and engagement of their staff, particularly among top performers.

Workplace Behaviours

During a recession, the fear of job loss can lead to more aggressive workplace behaviours. The Ceridian UK research reports some surprising findings:

- one in five admitted to being more ruthless
- one in three said that they would be self promoting in order to ensure that they prove their value at work.
- Nearly half would stay in a job for fear that if they moved they would be subject to “last in, first out” policies within a new organization.
- one in 10 would take a pay cut to keep their current job.

Managers need to be aware of — and ready to address — the fact that workplace conflicts, performance issues and unacceptable or more emotionally-charged behaviours may surface during stressful times.

Burnout

Staff who remain after a downsizing are often burdened with more work, which can lead to longer hours, fatigue and increased stress. And it’s well-documented that stress and fatigue impair personal judgement, short-term thinking and concentration. Statistics also show that accidents at work can rise exponentially in a downturn as worries about the future push taking care at work to the back of people’s minds.⁸

When overwork situations become the norm for employees, there is a cost both for individuals and for the organizations which employ them. A 2004 study by the Families and Work Institute found that employees who feel overworked make more mistakes, feel angry at their employers for expecting too much of them, and resent co-workers who don’t work as hard as they do.

Work demands are also one of the key predictors of work-life conflict, according to the Public Health Agency of Canada.

The cost to employers include high benefits costs due to increased prescription medication usage, higher absenteeism, higher short- and long-term disability rates, higher turnover, decreased productivity, poorer quality work and low morale.

Layoffs and Downsizing

Layoffs and downsizings are, unfortunately, part of business during economic downturns. Leadership IQ, a Washington DC-based training firm, confirmed in a recent survey that for managers and HR professionals, the challenge is less in executing layoffs than in managing the survivors. Some 74% of workers surveyed said their productivity dropped after layoffs and 87% said they were less likely to recommend their firm as a good place to work.

When asked whether their organization had communicated with them about the situation, 52% of employees surveyed by Ipsos Reid indicated that they felt their organization had not. Of those who stated that their organization had communicated to them about the situation, only half felt that their organization had done an effective job in communicating what was happening.

“Recession is when a neighbour loses his job. Depression is when you lose yours.”

—Ronald Reagan, 40th President of the United States of America.

8—Public Health Agency of Canada

Public and Social Coping Behaviours

Social networking will become the preferred grapevine for job leads and the best source of “inside contacts” to help in the job search.

Increase in Social Networking

More Canadians are turning to social and professional networking sites as well as other non-traditional methods to spread the word about their quest for employment and information. These networks will become the preferred grapevine for job leads and the best source of “inside contacts” to help in the job search. A 2007 survey conducted by the Institute for Corporate Productivity revealed 65% of business professionals utilized personal and professional social networking Web sites. About 35% of these individuals said they use networks to assist them in finding a job. That percentage is certain to grow as more workers find themselves falling victim to corporate downsizing.

Companies are also looking to these sites as marketing tools. Instead of a small group of executives deciding what comes next, organizations are utilizing these networks in search of new ideas and solutions. They’re also using the Internet to get their message out. Instead of spending \$100,000 to buy television time for their ads, they’re spending \$10,000 to produce a targeted online video to reach specific demographics. Social media has targeting methods that other marketing avenues don’t – at a tenth of the cost.

Entertainment

Many studies have shown that when jobs are harder to find or less lucrative, people spend more time on self-improvement and relatively inexpensive amusements. During the Great Depression, that meant listening to the radio and playing parlour games and board games in lieu of a night on the town. In the 1930s, dance halls and cinemas also profited with people demanding feel-good escapist films.

In the current recession, we can also expect people to turn to less expensive activities – and maybe to keep those activities for years. They may take the form of greater interest in free content on the Internet and the simple pleasures of a daily walk, instead of expensive vacations and box seats at professional sports events.

The result will likely be further economic hardships for the entertainment and restaurant sectors. Extended vacation destinations, such as Europe or Hawaii, will also suffer while smaller B&B communities within driving distance will become more popular. In the U.K. British-based holiday destinations are flourishing as people scale back foreign vacations for at-home getaways.

Bartering

A host of online sites already exist that allow people to swap goods and services. Their usage has already increased 10 % in the last few months and will increase dramatically as unemployment increases, wages are frozen and credit tightens.

Birth rate

Birth rates tend to drop in times of economic uncertainty. In each year after the last four recessions, general fertility rates – calculated as the number of women of child-bearing age per thousand who gave birth — dipped slightly.

This is bad news for Canada’s future as the country’s birth rate had fallen to its lowest level ever recorded even before the recession began. Statistics Canada census figures show the country’s fertility rate at 1.5 children is far lower than the rate of 2.1 children per woman needed to maintain the population.

Canada is not alone. As a result, immigration will become one of the most crucial issues for many countries according to the United Nations, and there will be increased global competition for talented, skilled, unskilled and semi-skilled workers. In addition, many more people will move from country to country.

Furthermore, a population decline doesn't only affect the labour force, but schools, pensions, investment, consumption, and taxation rates.

Corporate Social Responsibility

Disaster situations often foster very pro-social, altruistic behaviour in people. People come together to help each other. For example, in the week following the 9/11 attacks, 22,000 people volunteered to join the U.S. Red Cross. They were responding to a sense of helplessness and powerlessness. The recession is a reminder that we are social beings and that we need each other, and this will be reflected throughout the country during the next several months.

Corporate social responsibility will also become more important. Reputation and transparency are still key, especially if an organization must conduct lay-offs. Top employers still need talent, and talented people want to work for well-regarded companies. Customers are worried about who they can trust. A company with a good corporate image is more likely to thrive than one that is mistrusted. Organizations should be proactive in reassuring the public about everything from product safety to reliability and good service awards.

There is opportunity for organizations — particularly those who are reducing costs and staff — to gain trust and a competitive edge by focusing on CSR efforts.



The Role of EAPs

Any time of transition is stressful and Employee Assistance Program utilization figures are demonstrating that employees are already feeling the emotional effects. Indeed, employees are accessing their EAP in growing numbers.

Ceridian LifeWorks utilization figures show that Canadian workers are worried, stressed and fearful:

- From January 2008 to January 2009, overall Ceridian EAP utilization increased by 10%.
- Calls regarding financial issues increased by 65%.
- Calls related to legal issues involving bankruptcy increased by 60%.
- Calls involving organizational change challenges increased by 31%.

At a time when workers at all levels and in all sectors are feeling stressed and often overwhelmed, organizations need to support their workforce more than ever before.

And despite the recession, the fact remains that the workforce is still aging and there's still not enough highly-skilled younger workers to meet present needs. While corporate belt-tightening is appropriate during a recession, ignoring demographics is a recipe for further disaster. To flourish during a recession, optimize opportunities and capitalize on recovery when it arrives, it's important to retain highly-skilled employees.

Opportunity

Richard Florida sees the current recession, and the financial meltdown that triggered it, as an opportunity to “recalibrate” a distorted economy toward prosperity. The crisis makes organizations realize that the only real capital they have is human beings and their creativity. It's not about moving money around any more. Instead, it depends on generating and transporting ideas.

As Stanford economist Paul Romer famously said, “A crisis is a terrible thing to waste.” So now is the time for organizations to seize opportunities to strengthen their footing and prepare for the inevitable economic rebound.

A recent Ceridian Corporation executive briefing on organizational resilience highlighted that successful, resilient organizations are those that are able to respond to two conflicting imperatives:

1. **managing for performance and growth**, which requires consistency, efficiency, eliminating waste, and maximizing short-term results
2. **managing for adaptation**, which requires foresight, innovation, experimentation, and improvisation, with an eye on long-term benefits

Most established organizations pay great attention to the first but little to the second while many new start-ups focus on the second without much thought to the first. During challenging times, being able to nimbly switch between two opposing strategies is the secret to success. And having an engaged, high-performing and healthy workforce is the essential to an organization's present and future performance, growth and adaptability to changing markets.

So now is the time for organizational leaders to look to their Employee Assistance Plans. Executives and HR professionals have long considered EAPs a vital tool in supporting employees. That's even more so in this economic climate. Helping workers cope with organizational change, financial stress, personal issues, health and wellness matters and legal problems has never been more important. Giving people a place to turn to for help, advice and information at no cost

“A crisis is a terrible thing to waste.”

—Paul Romer,
Economist at
Stanford University

to them sends the message that the organization is committed to the physical and emotional wellbeing of its people — that the company appreciates each individual.

Now may be the worst of times for the economy as a whole but it can also be the best of times for individual firms to create value.

A strong EAP can help companies deal effectively with a wide range of issues. From expansive organizational change to individual performance issues, from how best to manage a merger or acquisition to designing corporate harassment policies and procedures, from present concerns to future trends, an EAP is now a valuable asset in weathering the recession and preparing for recovery.

The next few months will be difficult for organizations and individuals alike. Supporting employees through a variety of programs and policies will play an integral part if not only surviving a difficult economic period, but maintaining morale and productivity while preparing to take advantage of new opportunities when the economy once again bounces back.

Tips for Decision Makers

EAPs can also help leadership teams take advantage of the opportunities presented by a recession. These include:

- building a lean, highly efficient organization
- increasing the talent pool from which to draw highly skilled people. Solid talent is on the market and looking for opportunity due to lay-offs.
- creating potential to increase market share/diversify interests; Depending on your industry, its most likely that many of your competitors are playing it safe and not being as aggressive as they could be with sales and marketing. This creates an incredible opportunity to grab market share.
- strengthening corporate reputation
- creating higher turnover/revenue in the service and advisory sectors
- developing flexible processes and procedures to meet sudden challenges and improving lines of communication throughout the organization
- creating a resilient, innovative workforce
- the opportunity to reduce your operating expenses based on the pure fact that almost everything is on sale at a discount.

Part of a global business services corporation, Ceridian Canada is a Human Resources solutions provider that helps clients optimize their workforce, reduce costs and save time by finding, paying, developing and engaging their talent.

A trusted partner to 40,000 Canadian customers, Ceridian offers a comprehensive range of Human Resource solutions from payroll services and recruitment, to Employee Assistance Programs, learning & development, and workforce management. Recognized repeatedly for best practices, Ceridian has been included among the 50 Best Employers in Canada, The Top 100 Employers and the Best Workplaces in Canada for several successive years including 2008 and 2009.



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