



## Sustaining Resilience

know. how.



**Know. How.** To sustain organisational and personal resilience through the upturn





# Executive Summary

Ceridian's report - "Sustaining organisational and personal resilience through the upturn" - looks at the broad implications for employers and employees in the recession, focusing in particular on resilience, innovation, engagement levels, and trust in managers. The report is based on the responses of more than 1000 employees drawn from all industries and sectors - both public and private - and aims to capture current sentiment about what the next 12 months in the workplace might look like.

Key findings include:

- **Employers' innovation levels have been greatly challenged by the recession:** six in ten (59%) of employers claim to have become more innovative.
- **The pace of change is noteworthy:** only 3% say that they have gone back to the "old way of doing things", demonstrating that businesses have been fundamentally, but sustainably challenged by the recession.
- **Organisational resilience has been impacted:** with over half (51%) reporting higher resilience levels as a result of the recession.
- **Employees have been greatly impacted:** 30% report pay cuts or frozen bonuses, and four out of ten (43%) feel less secure in their job.
- **However, there are increasing levels of trust:** manager-employee communications have improved during the past 18 months, with only a quarter (24%) of respondents saying they trust their manager less.
- **Employee engagement is on the up:** 32% of respondents are more engaged, and employees are taking more personal responsibility for the success of their organisations.
- **Resilience is also on the up:** well over half (53%) claim to be more resilient now than at the start of the recession, while four in ten (39%) report no change in resilience levels.
- **A note of warning, however:** employers need to beware, as one third (33%) of employees report they are resilient but demotivated and more tired as the recession continues.

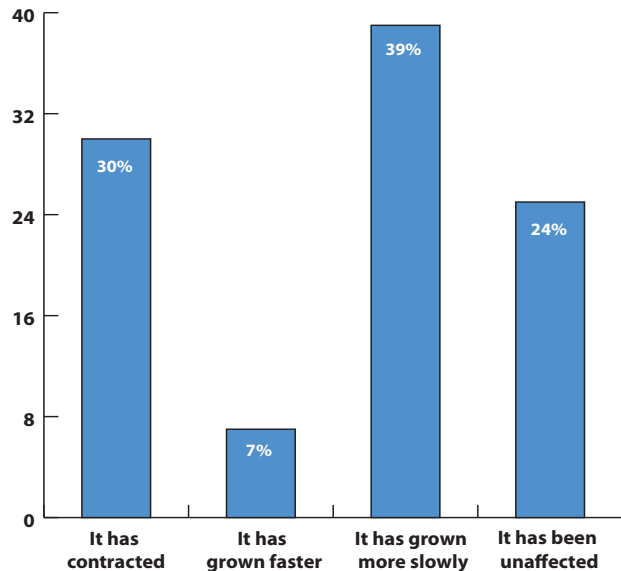
How much longer employees can continue to perform at above average levels without burning out needs to be closely monitored; a new wave of public sector job cuts is not likely to help this issue. Furthermore, an eventual upturn in the economy is likely to prompt stressed employees to consider new employment, leading to a marked increase in projected staff turnover. Now is the time to review health and wellbeing programmes to ensure they fit with employees' current and future needs.

# The Effect of the Recession on Organisations and Organisational Resilience

## Effect on organisations:

### Downturn sparks innovation and effects pace of change

How has your organisation's development been affected by the recession?

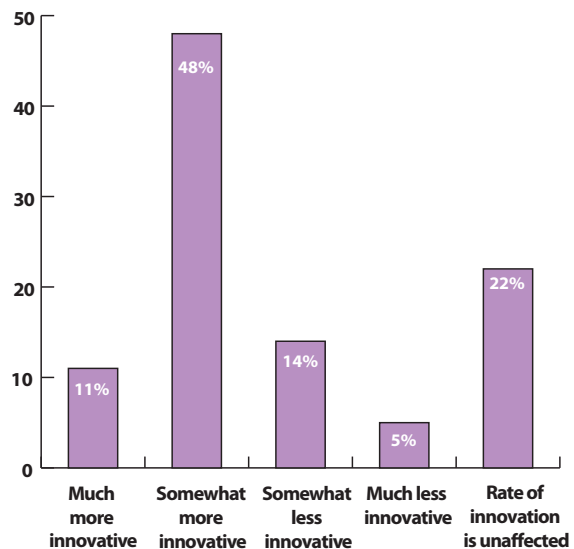


The impact of the recession is clear, although perspective on the breadth of its severity is necessary. Three in ten (30%) employees reported their organisations had contracted during the recession, 39% reported the organisation had grown, albeit more slowly, while 7% said that their organisation had grown faster and 24% reported that their organisation's development had been unaffected. Thus while more than two-thirds (69%) report that their organisation's development has been negatively affected by the recession, more than three in ten (31%) are still reporting either some growth or at least no adverse impact from the recession.

There is also clear evidence of attitude changes from the downturn at a corporate and individual level with over half (59%) of respondents stating that their organisations had become more innovative due to the recession. However, nearly one in five (19%), report their organisations have become less innovative with 22% reporting no change.

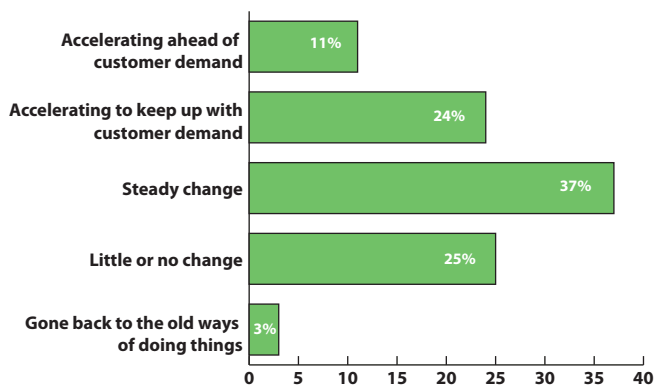
*Ceridian comment: In a recession, it would be expected that organisations' rate of innovation would increase steadily and the balance has indeed tilted in this direction. The one in five reporting less innovation within their organisations at a time of greatest need is a real cause for concern and brings into question their ability to stay competitive.*

How innovative do you think your organisation has been in responding to the recession?



The recession appears to have profoundly and sustainably affected change in the majority of organisations, with only 3% reporting that their organisations had gone back to the old ways of doing things.

How would you describe the pace of change as a result of the recession?



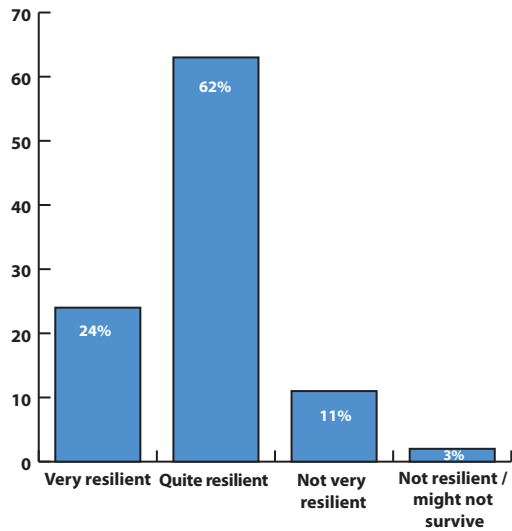
Nearly three-quarters, however, believed that change was either ongoing at a steady pace (37%) or accelerating (35%). The remaining one in four organisations reported little or no change.

*Ceridian comment: As a result of the recession, for those working in modern day Britain, change has become the norm. Businesses recognise that change is now part of corporate DNA and they will need to innovate to continue to be successful.*

## Effect on organisational resilience

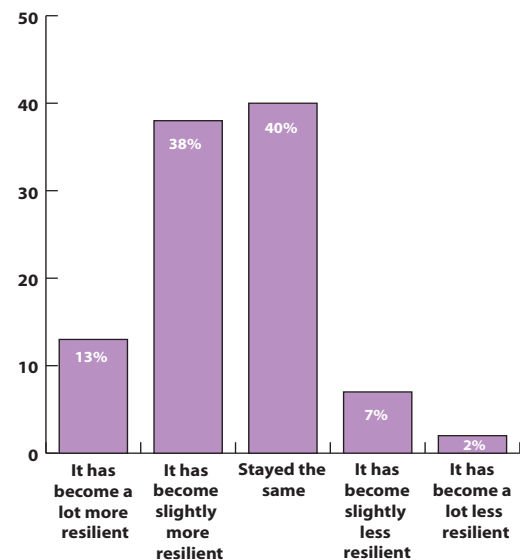
### Resilience on the rise

How resilient do you consider your organisation to have been in the face of the recession?



When asked how resilient their organisations have been in the face of recession, nearly 9 out of 10 (86%) respondents felt their organisations were quite or very resilient. As the recession has continued, over half (51%) of those surveyed felt their organisations had become slightly or a lot more resilient as a result of the recession, 9% felt their organisations had become less resilient, with 40% reporting they had stayed the same.

As the recession has gone on, how has the resilience of your organisation as a whole changed?

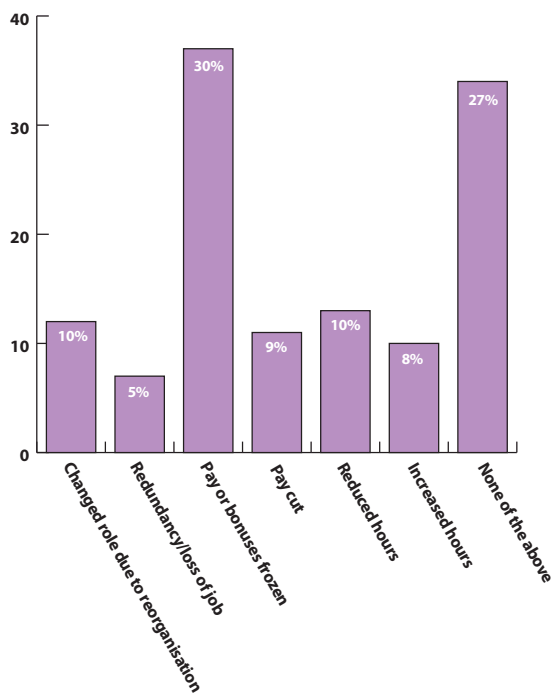


# The effect of the recession on employees and employee resilience: What employees believe the next 12 months will bring and how organisations can help

## Effect on employees

### 17% of employees trust their managers more

How has the recession impacted you personally?



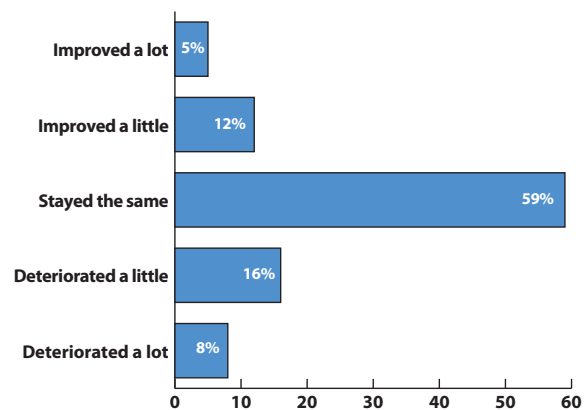
N.B. This was a multiple choice question

When asked how the recession has impacted them personally, by far the largest group (30%) reported pay cuts and frozen bonuses. This is unsurprising, but employers are also using other strategies to avoid making redundancies. 10% of those surveyed reported a change in their role and pay cuts, increased hours (8%) and reduced hours (10%) were also mentioned.

Employees seem to be aware of the harsh realities facing their employers. Despite difficult times, the majority (59%) reported the level of trust they have in their manager had stayed the same, and surprisingly 17% of respondents felt that their trust in their manager had improved. This is quite a surprising statistic, but nevertheless positive.

However, employees realise that regardless of their organisation's best efforts to avoid redundancies, this may not be possible, with 43% stating that they feel less or a lot less secure in their current job since the start of the recession.

How has the level of trust in your manager/s changed as a result of the recession?



Previous research from Ceridian undertaken in January 2009 highlighted a very different picture with over one in five employees stating they did not trust their managers enough to have an honest conversation with them about the recession\*.

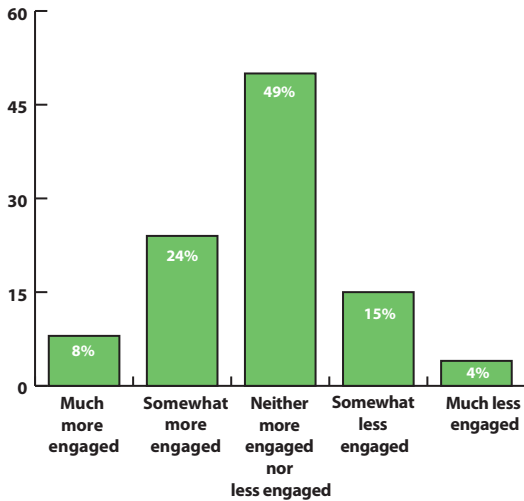
The new finding clearly suggests that manager/employee communications has improved over the last 18 months for some employees, with line managers understanding the importance of clear, honest and informed communications.

*Ceridian comment: A possible reason for the reported increase in trust in managers could be that employees feel they don't have any option but to do so - perhaps a case of trusting the devil you know.*

*It is also worth considering that trust has improved particularly amongst those who have managed to retain their job throughout the recession. With redundancy impacting the lives of not just those who are made redundant, but also their family and friends, many of those still in work will have more trust in their managers, with the view that they have helped ensure their job is secure.*

## Effect on employees (continued)

How has the recession affected the way you feel about your current role?



This somewhat positive affect has also extended to employee engagement, with approximately one third (32%) stating they feel more or much more engaged as a result of the recession, 49% reporting no change in levels of engagement and less than one in five saying their engagement levels have dropped.

In turn, employees seem to be taking more personal responsibility for the success of their organisation with 52% stating they are more willing to suggest innovations in the future.

*Ceridian comment: The Government's idea of The Big Society, where individuals take more responsibility, resonates in corporate as well as personal lives. Employees realise they must take more responsibility for the success of their organisation. Perhaps necessity has become the mother of invention?*

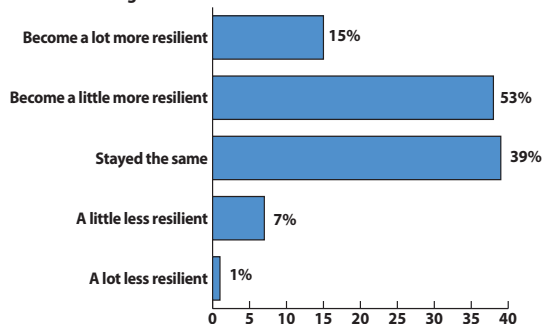


# The effect of the recession on employees and employee resilience: What employees believe the next 12 months will bring and how organisations can help (continued)

## Effect on employee resilience

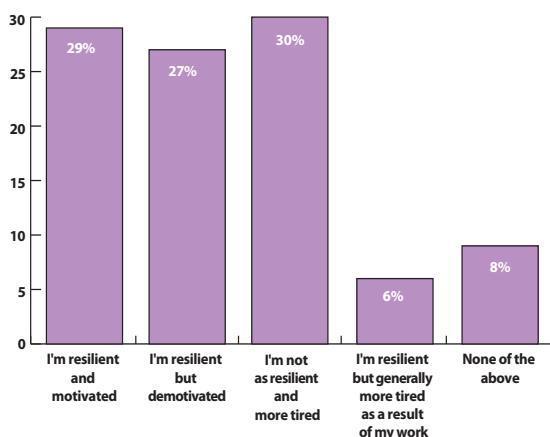
### Engagement & personal resilience improves

As the recession has gone on, how has your personal sense of resilience changed?



Over nine in ten (92%), feel that they have personally been very or somewhat resilient in the face of the recession. As the recession has continued more than half (53%) feel they have become more resilient while 39% report their level of resilience has remained the same.

As a result of the recession, how do you personally feel you have changed?



### Employees report demotivation and tiredness

More than half (57%) are reporting they are resilient but they are generally more tired or less motivated. It appears that when the recession first hit employees became more resilient in an effort to cope. Although, technically, the recession has ended, the economy is still fragile and employees are finding it increasingly difficult to maintain their levels of resilience without becoming tired and demotivated. It is clear that despite small signs of recovery, it will take time for the UK economy to recover to pre-recession levels

Whilst welcoming encouraging levels of innovation, engagement and resilience, HR directors should be concerned at the length of time employees can continue to perform at above average levels without 'burning out'.

When cross referenced with Ceridian's own LifeWorks\* employee assistance programme data, the picture becomes even clearer. In the first five months of 2010, the top CD listened to by employees of Ceridian's clients was managing stress (22%), while stress and depression at work was the top article accessed (13%) closely followed by managing stress (10%)

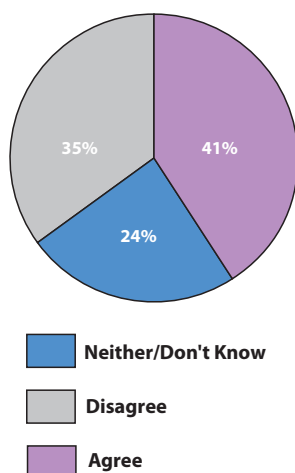
*Ceridian comment: If organisations want to continue to encourage individual innovation they must ensure their employees' resilience isn't mitigated by tiredness and demotivation. Now is the time to review and refresh health and wellbeing programmes to ensure these are in line with employees' current and future needs. Programmes could include flexible working and EAP (Employee Assistance Programmes), such as Ceridian's EAP LifeWorks.*

\* Lifeworks is Ceridian's Employee Assistance Programme, which helps businesses support their employees with personal and work related stress issues. It does this by providing assistance through a 24/7 helpline, downloadable CDs, reading materials, expert guidance and much more.

## Employees' outlook over the next 12 months

### Work-life balance takes a blow

Looking to the next 12 months, do you feel that your employers are likely to support you?



Employees believe the next 12 months will remain difficult, with more change, long hours and an impact on work-life balance. The pace of change will accelerate over the next 12 months (45%) and employees' recent experiences mean they will feel more comfortable with the pace of change in the future (48%). However, the majority (44%) of respondents believe they will be working longer hours over the next 12 months – a distressing statistic as Britons already work the longest hours in Europe.\* A further 40% believe their work/life balance will be harder to manage in the future. While nearly half of respondents feel their recent experiences will ensure they are more resilient to pressure at work in the future, one in five (22%) feel they will be less resilient.

It is also worth noting the planned increase to the retirement age, which will undoubtedly place increased pressure on those who assumed they were nearing retirement age.

Wise employers will take note of these findings and ensure they have the correct support mechanisms in place, such as flexible working and employee assistance programmes, prior to any change in working hours.

\* According to a Trade Union Congress (TUC) report.



## **The effect of the recession on employees and employee resilience: What employees believe the next 12 months will bring and how organisations can help (continued)**

### **How organisations can help**

While two-thirds (67%) of employees feel somewhat or very supported by their organisation during the recession - with training (27%) and flexible working (26%) being the most quoted - there is a clear cry for help from the tired and demotivated. When asked what help they would most appreciate in the future, flexible working (36%), health and wellness programmes (32%) and stress management programmes (31%) were the top three benefits requested.

Thus, there is evidence that organisations are supporting their workforce with skills training and flexible working but are neglecting to support their physical and emotional wellbeing. Employers should be aware that investing in addressing employees' physical and emotional wellbeing will lead to sustained productivity equal, and often surpassing that, of an investment in skills training.



## Research Methodology

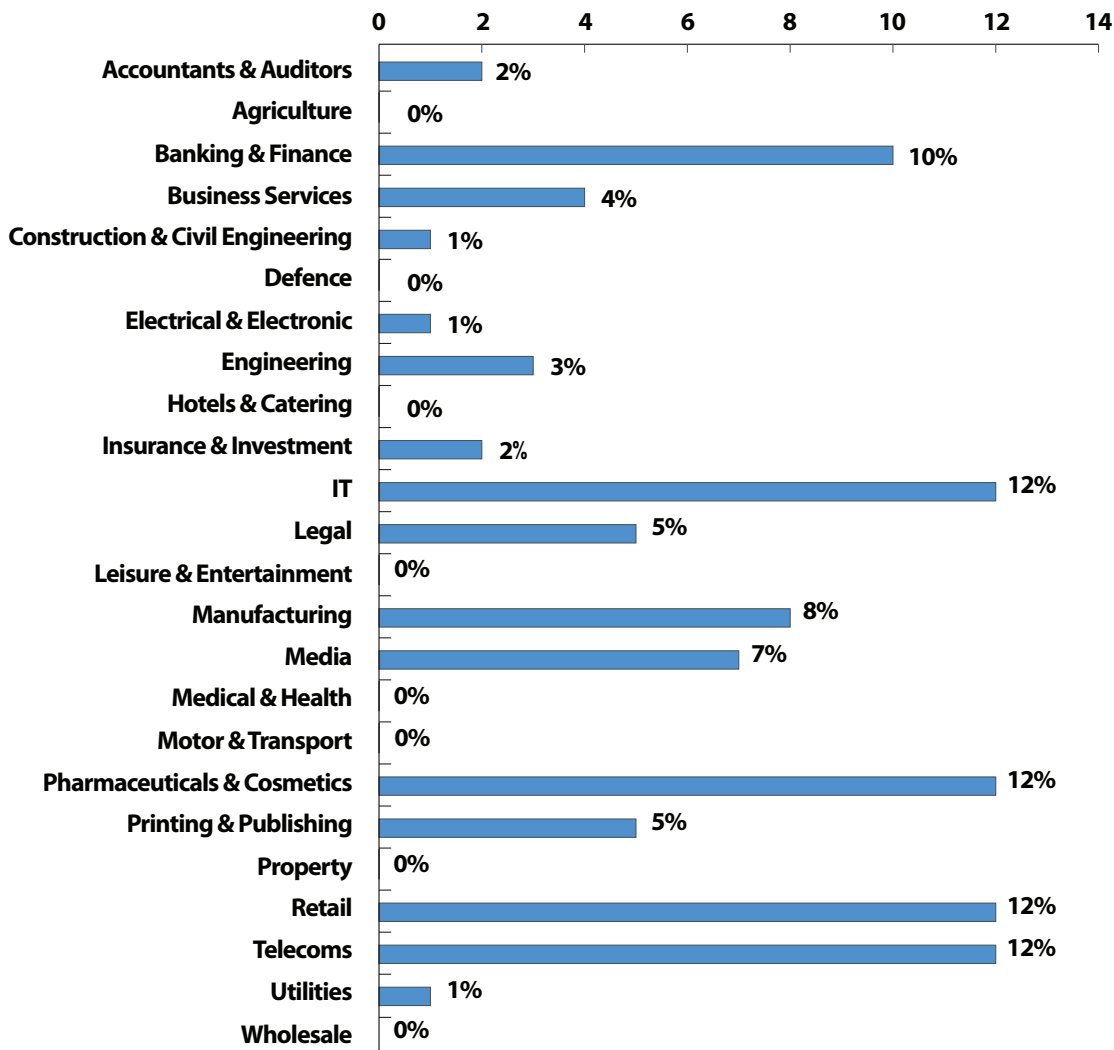
1003 employees completed an online survey in June 2010 run by independent research agency Research Now. Employees were in full or part-time employment in the UK.

To set the scene, employees were first asked about the effect of the recession on their organisations and its resilience. This was then contrasted with the effect of the recession on an individual and his or her personal resilience.

Finally employees were asked how they expected the workplace to change over the next 12 months, how they felt this would affect them and what employers could do to assist them.

Male	Female
496	496

### Respondents by sector



Ceridian is a global business services organisation that offers a comprehensive range of innovative solutions. From human resources and benefits to work-life and health and productivity services, we help organisations maximise their human, financial and technology resources.

As a leader in HR outsourcing, gift cards and payroll, we're also the driving force in payment innovation. Whether we're partnering with you to improve employee productivity, save money or minimise financial risks, it's our business to help you stay focused on yours.



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