

As the recession tightens its grip on the UK and unemployment surges to 1.82 million, an 11 year high, employees are starting to become fearful of the future and feel trapped in their jobs. With forecasters predicting this recession could eclipse anything previously experienced and that unemployment will rise to three million and beyond, their fears are set to become reality. Whilst the threat of wide spread deflation may offer respite to today's consumers there is the very real possibility this may destabilise the economy further. The two combined suggest a bleak future, in the short-term at least, but are UK employees heeding these predictions? And what action, if any, is being taken by them to ensure they survive the recession.

New research commissioned by Ceridian, one of the largest providers of human resource services in the world, explored the views of UK employees on what they were prepared to compromise on due to the downturn, what they fear most about the recession, what they would put on hold until the uncertainty is over and how they would prove their value at work in order to recession proof themselves.

The results are startling and give an indication that employees have grasped the severity of the situation and are taking survival action. Some of the most surprising findings include:

Nearly half of those surveyed would stay in a job for fear that if they moved they would be subject to 'first in, last out' policies within a new organisation

One in ten would take a pay cut to keep their current job

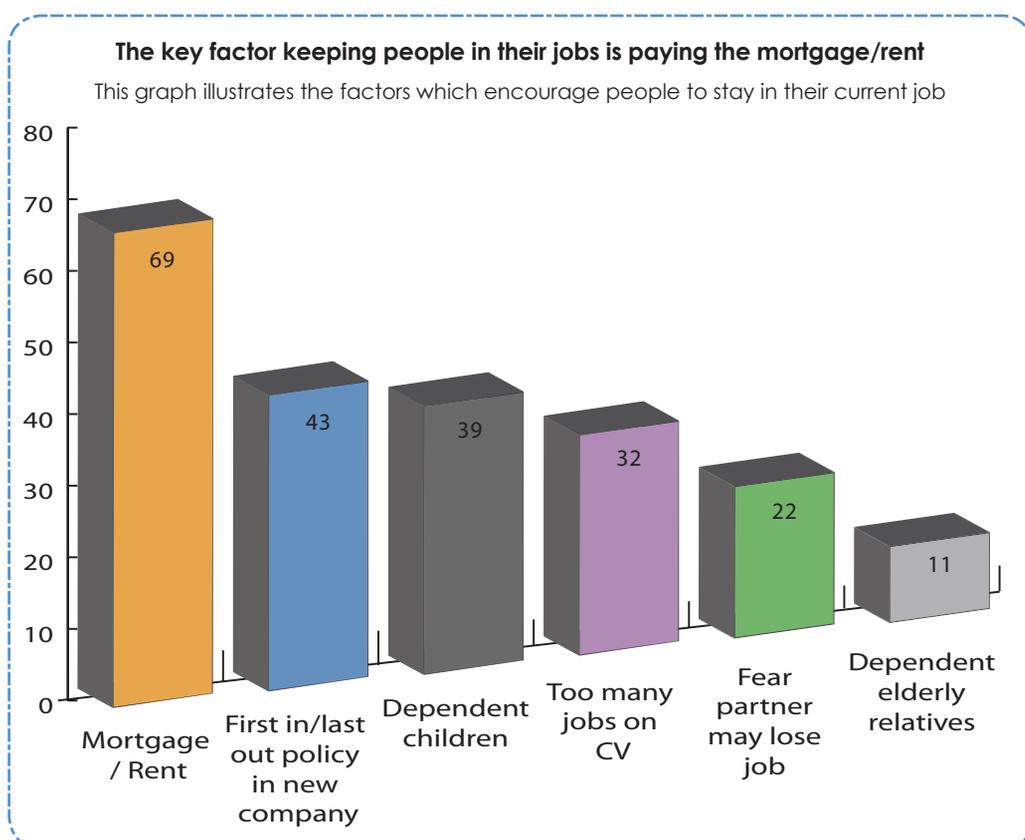
One in ten are prepared to tolerate unacceptable behaviour from their managers

One in ten are willing to stab people in the back to stay employed

Nearly twice as many respondents (58%) fear the effect the downturn will have on their lifestyle over the threat of losing their home (32%)

And on a more personal note, one in five people would put off splitting up with their partner as a direct result of the downturn.

The survey conducted by independent research agency Lightspeed, interviewed over 1,000 people in permanent employment in the UK. Responses were collected over a one week period in November 2008. The sample included a cross section of ages, industries and regions.

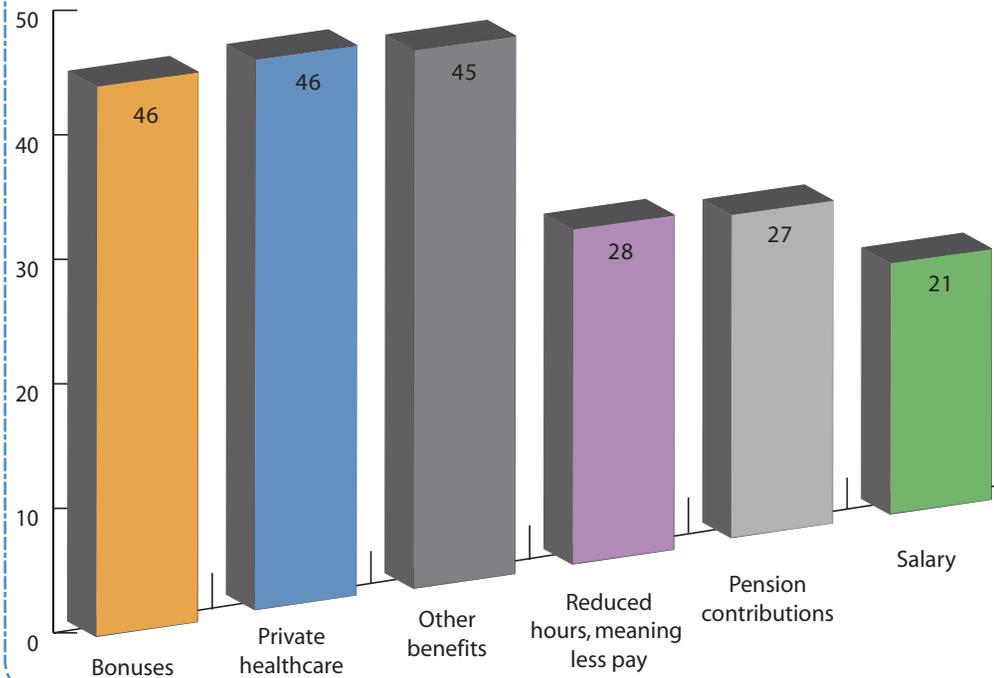


## Key conclusions – staying put

The first question in the survey explored the factors that would keep people in their jobs given the current financial crisis in the UK. Unsurprisingly 69% of employees would be more likely to stay in their job in order to pay the mortgage or rent and nearly a quarter of respondents (22%) would stay put for the fear that their partner may be made redundant. However nearly half (43%) would stay in their job over the fear that if they moved they would be subject to 'first in last out' policies within an unfamiliar organisation in the current economic climate.

### One in ten would take a pay cut in order to keep there job

This graph illustrates the financial compromises people are willing to make to keep their job



### Key conclusions – compromising times

The survey looked at how much people were willing to compromise in order to keep their job in the downturn. It is surprising to learn that when the cost of living is rising, 1 in 10 respondents would be willing to take a pay cut in order to keep their job and 1 in 4 would be prepared to cut their hours, meaning less pay. Furthermore, 1 in 4 would be prepared to forego their pension contributions in order to keep their job and almost half would give up their private healthcare and bonuses.

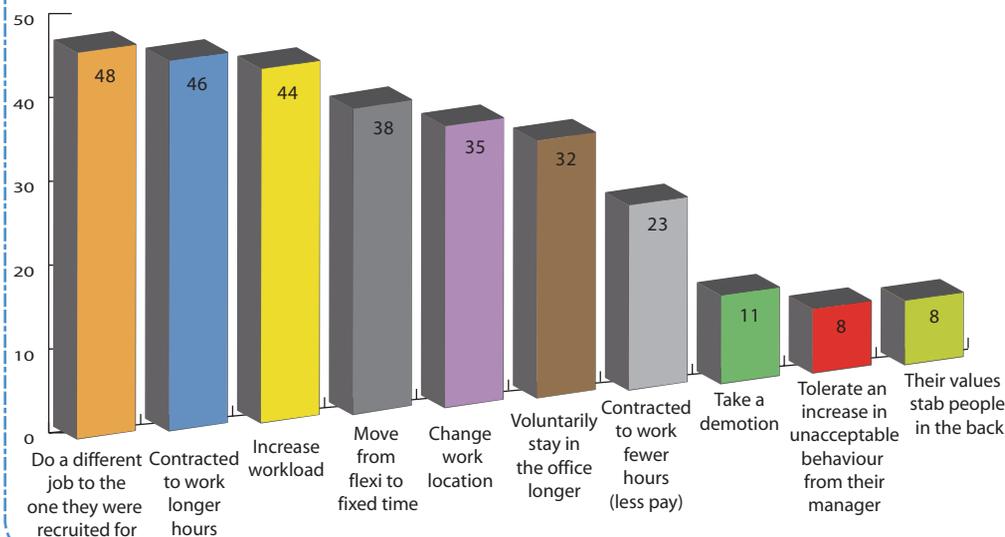
#### Maintaining Engagement

Engagement is critical in tough times when businesses need their employees to work with them to ensure business success. The most effective way of doing this is to ensure that communication is open, honest and timely and to involve employees in problem solving. Ceridian's research shows that employees would be prepared to consider

a number of cost saving options which could prevent redundancies. By not involving employees in problem solving, solutions could be dismissed or not considered at all at Board level. Explaining the business situation and involving employees in implementing solutions is also a very effective way of maintaining ownership and engagement as businesses go through tough times.

### Nearly half of respondents would compromise their work/life balance and work longer hours

This graph illustrates the personal compromises people are willing to make to stay in their current job



The research shows that although nearly 3 in 5 people fear the impact that the downturn will have on their lifestyle, nearly half of the respondents would be prepared to be contracted to work longer hours in order to keep their job. The research highlights further that work/life balance will be compromised in a downturn with 44% of staff taking on more work and 1 in 3 people adopting a 'presenteeism' culture by voluntarily staying in the office longer.

#### Maintaining Focus

When employees become distracted owing to economic concerns at home or rumours about pending changes at work, the impact on business performance can be significant. HSE statistics 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 peoples' minds. Additionally, employees who are working long hours increase their likelihood of having accidents at work through tiredness.

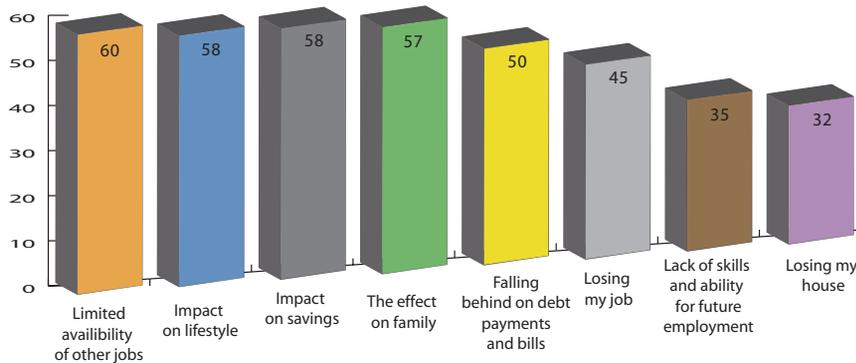
Interestingly, on a professional level, nearly half of the respondents would be prepared to do a different job from the one that they were originally employed to do and 1 in 10 would take a demotion to ensure that they kept their job as we head in to a full blown recession. Worryingly, not only are 1 in 10 people prepared to take unacceptable behaviour from their bosses but the same number are also more willing to stab people in the back in a bid to stay employed.

## Talent Opportunities

Businesses that implement a recruitment freeze to manage costs can use this situation to offer development opportunities to their employees. Splitting up job tasks and offering them to people as development opportunities builds individual skill sets, gives employees a feeling of value and often engenders innovation in the business as people look at activities with fresh eyes. This approach can also improve cross functional working and communication as well as developing coaching skills in line managers.

### Nearly twice as many people fear the impact the downturn will have on their lifestyle over the threat of losing their house

This graph shows what people fear most in the economic downturn



### Key conclusions – the fear factor

The most concerning thing for employees is the fear that there is limited availability of other jobs as a result of the economic climate. However, the most surprising statistic is that nearly twice as many respondents fear the impact that the downturn will have on their lifestyle over the threat of losing their home. Nearly half of employees surveyed fear that they may be added to the unemployment statistic and will lose their job as a result of the downturn.

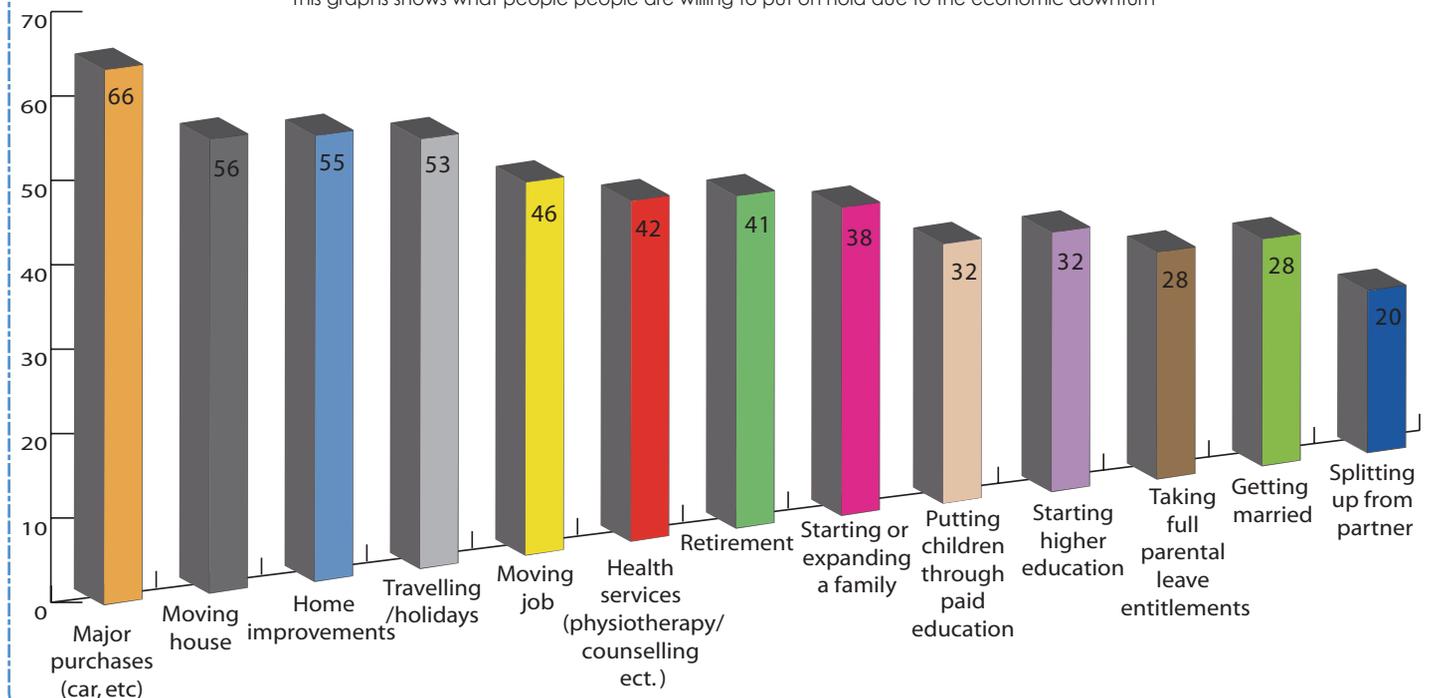
## Key conclusions – hold on

The recession is also having a major effect on the decisions that people are making in their personal lives. Understandably, people are delaying any major purchases, including new cars, house moves and home improvements. However, more shockingly, 1 in 5 people would put off splitting up with their partner as a direct result of the downturn.

Nearly 2 in 5 would put their plans of starting or expanding their family on hold and over a quarter would put marriage plans on the back burner. People are also less likely to take a holiday and unwind with over half of the respondents postponing or cancelling their travel plans.

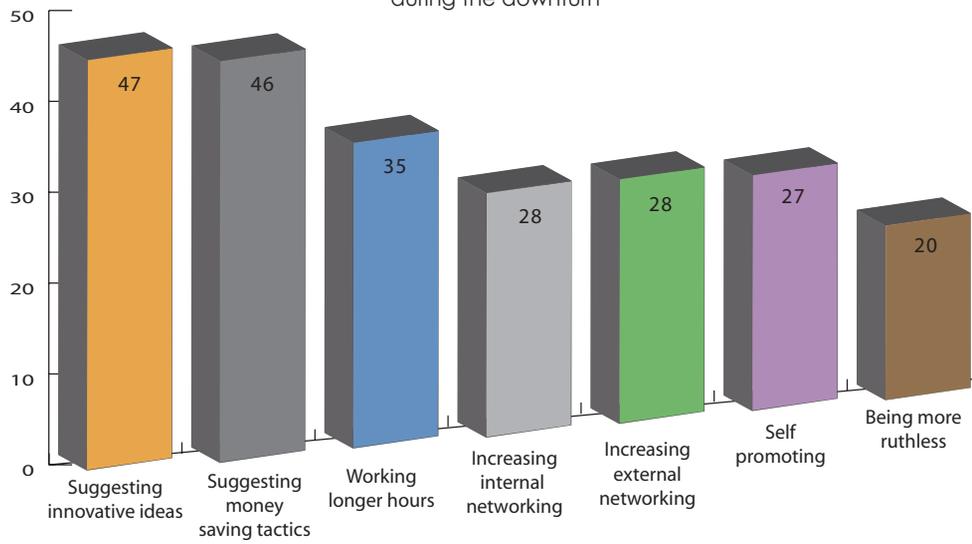
### One in five would put off splitting up with a partner due to the economic downturn

This graphs shows what people people are willing to put on hold due to the economic downturn



### The downturn brings out the competitive side of employees

This graph illustrates the things people are doing to prove themselves at work during the downturn

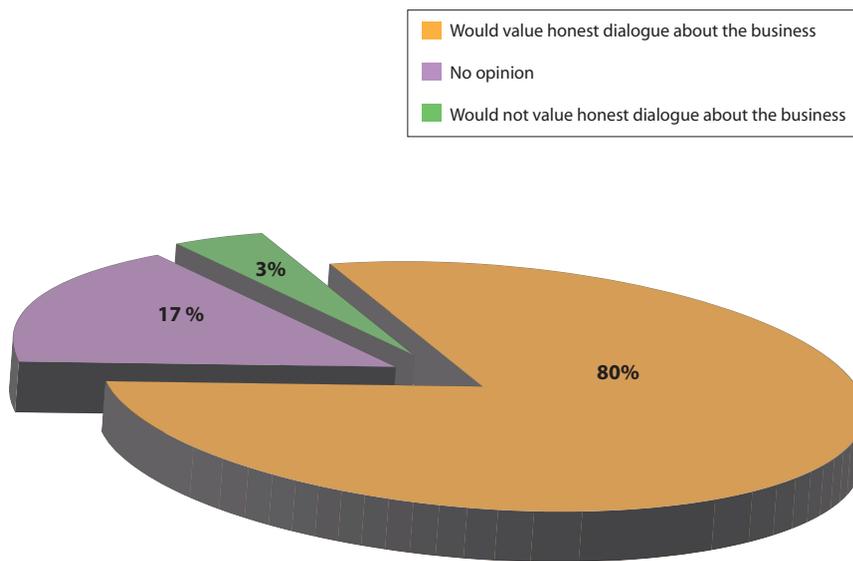


### Key conclusions – proving yourself

The credit crunch appears to bring out the competitive side of some employees with 1 in 5 people admitting to being more ruthless and 1 in 3 saying that they would be self promoting in order to ensure that they prove their value at work. Although for employers there is an upside, as nearly half of the respondents would suggest money saving tactics and innovative ideas in a bid to show their worth.

### 80% of people value open and honest communication from employers in the downturn

This pie chart shows employee views to honest dialogue about the business



### Key conclusions – extra value

If they are not already doing so employers should be considering giving their staff access to confidential personal and financial advice with nearly half of those surveyed agreeing that they would find this of value from their employer. However, according to nearly 4 in 5 people, one of the most valuable things that an employer can do is to have open and honest dialogue with their employees, reassuring them in these difficult times.

#### Rethinking Communication

Always mission critical to business success, the way businesses communicate with their employees, customers and suppliers is never more important than in a downturn. Studies from the Bureau of Labour statistics show that employee productivity is at a high of 60% when

they are fully engaged, working in stable environments and not concerned about their future. This drops to 15% when change is announced and the biggest factor in the drop is caused by an increase in social interaction and gossip. It's essential to prevent misinformation in difficult times and the best way to do that is to be open and honest in your communication, up the frequency of communication events and ensure that all communication channels are fully effective.