UK Employees Fear The Worst Is Yet To Come From Economic Slowdown

Contributed by GFK NOP
Wednesday, 21 January 2009
Last Updated Monday, 26 January 2009

While the majority of UK employees have yet to see any major negative effects of the economic slowdown, more than half say they are going into 2009 fearful about their work prospects, according to new research from GfK NOP.

The research, carried out in November 2008 amongst 1,500 employees in UK-based companies of 100+ people, found that a third (37 per cent) have noticed a negative impact on their organisation caused by the economic slowdown, while 40 per cent have seen no impact.

By contrast, however, 52 per cent of those questioned fear that they will see negative effects over the coming year, while a further 23% are unsure about what the next year will bring. Just a quarter (26 per cent) are confident of no negative impact on their employer in the next 12 months.

Perhaps unsurprisingly, negative impact has been felt most amongst those working in Financial Services (69%) and those in Senior Management positions (50%). Amongst those seeing a negative impact, the biggest impact has been found to be low morale (55%), followed by a recruitment freeze (53%), spending cuts (48%), company reorganisation (45%) and redundancies (44%).

The economic climate is having a significant impact on the way UK employees work and feel about their jobs. A third of those questioned (33 per cent) are working harder / putting in extra hours since the economic downturn and almost one in five (19 per cent) currently have a lower income (salary plus bonus) than a year ago. Two thirds of employees (66 per cent) are worried that their current salary does not meet the increased cost of living and 38 per cent do not expect a pay rise this year.

Confidence and morale amongst UK employees is on the decline. Just a third (34 per cent) believe that their senior management has a sound strategy to steer the company through the economic downturn, and less than half (46 per cent) feel confident about the long term prospects of their employer. This could simply be due to lack of internal communications around the issue.

More than a third (37 per cent) believe that the morale of their team/colleagues is worse than a year ago, and just 10 per cent point to an increase in morale in the last year. More than a quarter (26 per cent) say that satisfaction with their job has fallen in the last year.

The economic slowdown has, however, had a positive effect on employeesâ€™ intention to stay in their current role. Of those saying that they intend to stay with their organisation for at least the next year or for the foreseeable future, over a third (35 per cent) are much more likely to stay than they were a year ago.

That said, 22 per cent are planning to leave their current role within the next year, and a further 13 per cent are only intending to stay for another year. Just over half (52 per cent) of these people are actively looking for a job, while 48% are waiting until the market stabilises.

Sukhi Ghataore, Associate Director of GfK NOP comments:
"While itâ€™s clear that UK employees are starting to feel the effects of the economic slowdown, the research points more towards a climate of uncertainty about the year ahead. At these times more than ever, employers need to be looking at utilising non-monetary rewards to engage and motivate their staff, as well as effectively communicating with them to try to allay their fears.

While bonuses and pay rises might not be possible, simply offering public words of praise and being as open as possible with staff will go a long way to re-engaging employees, improving morale and increasing productivity.â€•

Â London - 2009