

Less pay. More hours. Unhappy workers.

By Jessica Dickler | Thursday, September 17, 2009

You don't have to get laid off to feel the pain of this recession. Many workers lucky enough to have survived the ax are still feeling unhappy and unmotivated at work.

Raises, bonuses and other incentive programs have been slashed since the downturn began, and employees saddled with additional workloads for less pay are becoming increasingly dissatisfied with their current position -- or just plain burnt out.

"You can't help but just do the bare essentials to keep you from being fired," said Domnick Eger, an information technology specialist in Phoenix, Ariz.

Eger, 26, says he feels stretched to the breaking point by his current employer but has been unable to find another job.

Massive layoffs and the delayed implementation of benefits like health insurance and a retirement plan at his office have left Eger with more work and no additional compensation. He says he fears salary cuts will come next.

Having spent the last year dealing with cuts in staff, benefits and pay, many workers are feeling under pressure. "Do you blame people for feeling disgruntled or even wanting to take a breather?" Eger asked.

Eger isn't alone. It is clear that the recent economic downturn has had an adverse impact on productivity and morale. Forty percent of employees at organizations affected by layoffs say productivity has been negatively impacted, according to a recent survey by the Workforce Institute at Kronos. Of those 40%, two-thirds of them say that morale is suffering and that employees are less motivated than before.

In addition to watching their compensation and growth opportunities deteriorate, employees like Eger may be coasting because a lack of other possibilities in the still-troubled job market makes them feel stuck. "A lot of people are maybe staying in their current job because there aren't better options out there," said Joyce Maroney, director of The Workforce Institute at Kronos.

Losing productivity

Now that the pace of layoffs is slowing, and the smoke is starting to clear, companies are taking stock and realizing that morale can affect the bottom line.

Marc Wolfe says he often sees worker morale declining in his day to day business. Wolfe, 41, runs his own computer consulting firm and has about 18 clients in New York, New Jersey and Connecticut. Part of his job entails watching over employee activity and helping businesses improve their online presence.

He says there has been a noticeable uptick in "slacking off" recently. "I notice more people surfing the web, updating their social profiles and talking on cell phones more than they did when the economy was good."

"When I see people on Facebook, making Wikipedia entries or [instant messaging] back and forth, I wonder what's going on" he said. "They don't have the same excitement or zeal."

For companies like the ones Wolfe works with, worker morale is a crucial part of running a solid business. An organization may have a hard time hanging on to employees in the long term and have trouble attracting new talent if its reputation as a good place to work is soured. The company may also not be prepared to meet increased demand when the economy picks up again.

"The risk here is the organization's financial health," said Roxanne Emmerich, author of "Thank God It's Monday: How to Create a Workplace You and Your Customers Love." "Employee morale is the leading predictor of future growth and profitability."

Emmerich predicts that at some point, employers will have to do more to incentivize employees. She recommends rewards that tie into the company's vision and values, but that are not necessarily monetary. "People just want to be recognized for the most part," she said.

Domnick Eger is less optimistic that employers will change their ways any time soon. He thinks the recession has caused a permanent shift in the way companies treat their employees. "I believe this whole recession has not only destroyed the markets but killed any humanity in companies."