



The Economy, Business Performance and People

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The stock market crashed in March 2020 and the spread of the coronavirus brought business to a halt. To say that America was gripped by anxiety is an incredible understatement.

Although we have unemployment levels that are close to the Great Depression unemployment levels, the situation is completely different. When the stock market crashed in 1929, the circumstances were exacerbated by the Hoover administration's dramatic fiscal policy response ... they cut spending which resulted in even more job losses across the country. In contrast, President Roosevelt poured money into the economy by financing the New Deal and all of the work projects that created millions of jobs. Apparently we learned the lesson from the early 1930s. Trillions and trillions of dollars have been pumped into the world economy, stimulating employment, spending, and creating confidence in the future. We are not in a Great Depression and we are not going to be in a Great Depression. The confidence in the stock market is a reflection of the markets' understanding that we are not headed for the abyss.

Since April 1st Mark Kamin & Associates has interacted with over 1,000 business people and leaders from every conceivable industry. Here is what we have learned:

Today, two months later, we are in a different business environment, though it would be easy to think nothing has changed much since March. We are now in a crummy business environment and that is different than the precipice of the “financial collapse of everything.” Business is pulling itself out of the ditch and moving in the direction of workability. There is still plenty of commerce/business happening and 80% of the workforce is being productive. This reality is being reflected in the stock market.

The most effective firms are working to capture market share in a rapidly shrinking market. It is now a game of survival of the fittest and positioning to grab market share as the economy improves next year.

If you are highly competitive and effective you not only will survive you will thrive. The issues that have previously undermined competitive business advantages have only been exacerbated by the COVID-19 business environment. For example, if you were having a hard time getting your team aligned while they were all working in the same office space you are having an even harder time getting them aligned now.

Gallup stated in 2018, even in a good economy, the impact of a dire lack of employee engagement on organizational performance has been dismal.

- 67% of people at best tolerate their jobs
- 51% are just doing what they are paid to do and not more
- 16% percent are actively undermining and hostile to the workplace

According to a Gallup report April 7, 2020:

- Full-time employees say COVID-19 has disrupted their life "a great deal" or "a fair amount" – this number has gone from 58 to 81%
- 40% of U.S. employees say their employer has frozen hiring or shifts because of COVID-19
- 61% of full-time employees are now working from home – a 30% increase in just 2 weeks
- ONLY 49% of full-time workers strongly agree their organizations cares about their overall wellbeing

If you add the bad news about employee moral related to our current situation, on top of the Gallup research before the pandemic it becomes obvious that the organization that can authentically harness the goodwill and commitment of their people will have a strong competitive advantage in a ferociously competitive environment.

To summarize, the world isn't ending... it is going to get exponentially more competitive. If you have an organization that is built on the bedrock of authentic teamwork and real accountability you win!

We will address, in a series of articles, the key elements for creating an environment of empowered people who are committed and find real pleasure in having their organization win...the ultimate competitive advantage.