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# Economic Downturns Undermine Workplace Helping



By [Nina Sirola](#) , INSEAD Post-Doctoral Fellow

**Employees' views about success change with the economic outlook, unnecessarily tearing the social fabric of organisations during difficult times.**

How do you view success? Is it a finite resource, meaning that your success requires someone else to fail, or is there enough to go around? Your answer may determine whether you view your co-workers as potentially beneficial or detrimental to your own success. When the opportunity arises to help a colleague, it may therefore dictate how you respond.

This is more than a private, idiosyncratic issue. Previous studies have shown that **employee helpfulness** is key to organisational effectiveness. The extent to which people are willing to help at work, however, changes in response to prevailing macroeconomic conditions, as my recent paper in *[Academy of Management Journal](#)* (co-written by Marko Pitesa of Singapore Management University) finds. As the economic outlook darkens, so do employees' attitudes toward one another. The uphill slog of doing business during a downturn is thus made even steeper.

## A panic response

Of course, a certain amount of selfishness can be a rational response to a downturn. The threat of layoffs, for example, will naturally turn employees' concerns towards their own job prospects. Our studies, however, modelled situations where participants could help others at no apparent cost to themselves. That they withheld help anyway indicates a phenomenon more closely resembling the illogic of panic selling or bank runs than rational self-interest.

First, we verified our core premise – that an unfriendly economy contributes to what we termed a “zero-sum construal of success” – by analysing nearly 60,000 responses to the [World Values Survey](#) alongside information about the respondents' macroeconomic context. We discovered a relationship between bad economic indicators and the belief that success is a “zero-sum good”.

Next, we tested our hypothesis that news of a downturn could negatively affect workplace helping. In two separate experiments, we found that professionals who had just read an article describing the U.S. economy as declining were less likely to offer to point a colleague in the right direction (even though it cost them nothing to do so) than peers who read an optimistic news article.

Finally, we launched a field study in which the participants did not even know they were a part of the research until the very end. Posing as the marketing department of a business school, we recruited 101 freelance marketing and sales professionals hailing from 47 different countries, ostensibly to evaluate the work of an intern who had devised a new slogan to promote university-branded merchandise. Participants were told that the school's policy required all freelancers to complete paperwork including questions on how they perceived the state of the economy in their home country.

Note, freelancers in the final study could not reasonably have felt threatened by the “intern” we invented, seeing as how they had neither met the intern, nor were eligible to compete for the same job. Nonetheless, when given the option to append helpful advice to their evaluation, freelancers who felt negatively about the state of their home economy were more likely to decline or to write less than their more optimistic counterparts. Across studies, we found that the unhelpful behaviour in response to difficult economic times was due to an increased tendency to view success as a zero-

sum good.

## **Community and cooperation**

Our findings imply that workforce cohesion is often at its lowest when managers need it most, i.e. during tough economic times. It should be possible to weaken the zero-sum effect by emphasising community and cooperation. Managers should stress joint goals in order to refute the notion that success can be doled out only on an individual basis. Needless to say, it helps if you have a more collective-minded corporate culture from the start. That way, you can simply emphasise existing values, rather than having to establish new ones and make them credible.

In advance of an economic downturn, managers should identify junctures in the employee network where it's especially important for employees to help each other. For example, new hires are highly dependent on colleagues to show them the ropes; otherwise their learning curve lengthens and the company ultimately loses out. In certain cases, organisations may need to make formal changes to heighten employees' awareness of interdependence, e.g. by instituting joint financial incentives within a department.

Managers should also cast a watchful eye inward to ensure that they themselves don't succumb to the insular mentality downturns often inspire. When times are tough, listening to employees with sensitivity and care combats pessimism and persuades them that you are all indeed in this together.

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