



## **Tough Times are the Time to Invest in Communication**

For some time I have been wondering whether the projected economic down-turn isn't simply a self-fulfilling media storm. Tales of woe in the housing market and the prospect of difficult times ahead have been with us since last summer and yet, somehow, everyone seemed to be getting by. Jobs continued to be created. House prices ebbed gently down (a good thing surely?). And most of the business people I met said that their prospects were holding up very nicely, thank you.

All that now seems to be changing. It gets harder and harder to ignore the consistent messages of gloom emanating from all points of the economy. Inflation has reared its very ugly head. House prices are sliding, not ebbing, downwards and house building has come to a virtual standstill. Above all the rise in input prices is having a serious knock on affect on every consumer and many businesses. Tough times do seem to be ahead, even if we are able – as the CBI still believes - to steer clear of outright recession.

Some of this economic gloom is likely to be deeply structural. We are, I guess, going to have to get used to high energy prices and from that will flow higher food prices. And that shouldn't be unexpected. What we have to remember is that the era of cheap fuel, cheap food and throw away products was the aberration, not the norm. And surely it is no bad thing if we can learn quickly to live and prosper in a low carbon environment and to adjust our lifestyles to a less wasteful economy.

But whilst economists and environmentalists can look at these long-term trends with dispassion, individuals can't. They bear the pain and have to make the sharpest personal adjustments. As ever with change – and this is change at societal level - communication is vital and I would ask all our local leaders, whether in government or the private sector to think hard about how they explain the new realities to their communities and to their employees.

At one level leaders need to come clean and explain to people how our economy is going to change as energy prices remain high – a result of ever increasing world demand, rather than ever decreasing supply. Individuals and businesses need to understand what to expect and make adjustments accordingly. Government needs to grasp the nettle and start supporting people through that change.

And there is a role here for business too. One of the impacts of the slowing economy is an increased number of business closures and redundancies. As I have explained on these pages before, business leaders need to talk to their employees as adults, setting out on a regular basis how their company is performing and what the challenges and prospects are ahead. If those prospects are gloomy, don't try to hide it. Your employees will already know that times are tough and won't respect you for trying to pretend otherwise.

When time gets tough, businesses have to make cut backs. Traditionally they cut back on what are seen to be peripheral, non essential costs, such as training and communication. The case has often been made that training is an essential part of any businesses' future – so is communication. Communication is all about leadership. The challenge is for us to display that quality now.

*Richard Astle is Director of Athene Communications, a Peterborough based consultancy specialising in change and project communications.*