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Management of Employees during Economic Downturn: A Literature Based Review

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Abstract

During challenging economic times such as economic downturn, many companies struggle to stay afloat while the employees worry about losing their jobs. Management has the tough task of finding ways to keep employees loyal and productive while assuring them that they can survive the challenging period. Management of employee is one way to help turn an underperforming employee around or prevent high-performing employees from becoming a weak performer. The purpose of this study was to examine the management of employees during economic downturn. The study was anchored on Contingency theory. The study was a literature based in which past studies were reviewed to obtain study themes. The findings of the revealed studies revealed that communicating with employees and rewarding them for a job well done is always key in motivating the employees to stay with the organization even during economic downturn. All of this can be accomplished by being visible, and by taking the time to get to know the employees. The findings of the reviewed literature indicated that great leaders never lose sight of the big picture, instead they balance the need for financial prudence with maintaining a loyal and engaged work force. It was found that great leaders recognize that no matter what happens in the economy, there is always a market for high performers. Making tough financial decisions may be necessary during times of economic downturn, but the management should keep in mind the economy will turn around and that the work will come back, and when it does, the employees will remember how they were treated during crisis. The findings further indicated that keeping employees engaged despite the economic turmoil is key because engagement is directly linked to the performance metrics that matter most to businesses during economic downturn. The study hence concluded that, walking the talk and building relationships of trust and instilling confidence equates to real money on the bottom line; it is a statistical fact that high employee engagement results in greater efficiency and overall profitability in times of economic downturn. The study concludes that employee engagement can inoculate business units and companies against lost profitability and the onus of creating that engagement is on managers, who are the epicenter of the work environment.

Keywords: *Employee, Management, Economic Downturn, Literature* Contingency theory

1.1 Background of the Study

During challenging economic times such as economic downturn, many companies struggle to stay afloat while the employees worry about losing their jobs. Management has the tough task of finding ways to keep employees loyal and productive while assuring them that they can survive the challenging period. Management of employee is one way to help turn an underperforming employee around or prevent high-performing employees from becoming a weak performer (Wang, Sakata, Komiya, & Li, 2020). The concept of employee management is more than just making sure that people are doing their jobs; it's a variety of procedures and strategies that can help an organization measure, monitor and interact with the workforce that plays a huge role in the company. According to Valeeva, Gatina, Bagrova and Fedorova (2020), employee management should play a role in every part of the employee lifecycle, starting with employee recruiting and training. A key part of this process is building a relationship with the employees. This involves adopting a few crucial tactics to allow the employees realize their full potential. Management of employee is the arrangements put in place by an organization for which they work that allows them to have a more variable schedule as opposed to complying with the standard company policies especially during economic downturn.

An economic downturn is a general slowdown in economic activity over a sustained period of time (Mayadunne, Johar & Saydam, 2018). Economic downturn can happen in a specific region (e.g. the Asian financial crisis in the late 1990s) or on a global scale (e.g. the global financial crisis in the late 2000s and in 2020 when coronavirus pandemic hit the globe). According to Fujihara, Fujihara, Sterbenz, Shauver, Chung and Chung (2019), an economic downturn or a downturn, occurs when the value of stocks, property, and commodities fall, productivity either grows more slowly or declines and GDP (gross domestic product) shrinks, stands still or expands more slowly. An economic downturn is part of the economic cycle, i.e., the natural fluctuation of the economy between periods of growth and contraction. In most cases, a downturn refers to the downward movement on the graph. However, analysts and the press sometimes use the term when talking about a slowdown in growth (de Oña, de Abreu e Silva, Muñoz-Monge & de Oña, 2018).

Casas-Arce, Indjejikian and Matějka (2019) opine that during a downturn unemployment may rise and investors may lose a lot of money, people take longer to sell their homes and often have to lower their prices; in addition, companies spend less on investment and consumer spending and borrowing declines. Borrowing by consumers and businesses goes down for two main reasons during a downturn; if people worry about their jobs, they are less likely to want to get into debt or further into debt; banks become more cautious who they lend money to, i.e. getting a loan becomes more difficult. Governments often have to borrow more during a downturn, because their tax revenues are smaller. There may also be rising spare capacity, i.e., companies producing less than they can. An economic downturn may emerge as a country's economy enters into a recessionary period (Pinto, Pereira & Uyarra, 2019). Downturns may also occur when the first signs of GDP contraction start to appear.

Proper and humane handling of employee discipline, terminations and even layoffs is crucial, especially in a down economy (Casas-Arce *et al*, 2019). It is the responsibility of human resources professionals to ensure their organizations follow excellent disciplinary practices and properly conduct terminations and layoffs during these turbulent economic times. Few supervisors enjoy managing discipline and discharge issues; an undeserved separation from employment due to, for example, a downturn in the economy can be especially difficult and disturbing to the employees. Gunnigle, Lavelle and Monaghan (2019) alluded to the fact that during economic downturn more than ever, the human resource managers must take the lead in workforce management, including, when necessary, conducting layoffs or terminations of employees in a systematic, logical, and effective manner.

Most of the organizations seize on recessionary times as an opportunity to eliminate a problem employee's job as a softer way to terminate the worker; however, eliminating an employee's job position to solve performance problems can actually result in liability to the organization. The employee might be able to show that the position was not actually eliminated but was filled by another employee (Tsao, Newman, Chen & Wang, 2016). An attorney might be able to prove in court that the "elimination of position" was just a sham and that discriminatory reasons were actually the cause of the termination. Layoffs or terminations are not for cause and often affect groups of employees rather than individual employees (Sirola & Pitesa, 2017). Many employers make the mistake of using a layoff as an excuse to terminate an employee who should actually be dismissed for cause. Dismissing someone by using an inaccurate reason is an invitation to a lawsuit.

Unlawful and inhumane termination of employees by the management of an organization may demoralize the remaining employees and make remaining employees develop negative feelings about the organization, the direction it is taking and the security of their own future there. Kropivšek, Jelačić and Grošelj (2011) indicated that setting a tone of optimism, communicating often to counter rumors and make employees feel their opinions are valued and trying new methods to rejuvenate employees will help to improve morale. When an organization is facing budgetary and economic challenges, involving employees in finding solutions can make them feel valued and provide an incentive for them to remain at the organization (Wood & Ogbonnaya, 2018). It can also lead to new processes and methods, because employees who perform the work every day know how things work and areas where (and how) they could work better or more efficiently. Taking advantage of their knowledge reaps benefits for both the employees and the organization. During economic downturns, many organizations are forced to cut back both in workforce and by reducing or eliminating salary increases and bonuses for remaining employees. However, eliminating all incentives poses a significant risk that the organization will lose top employees as well as see a visible reduction in morale. Organizations, even those facing budgetary cutbacks, can focus on other types of incentives for all employees.

Whether a downturn is one year away or two, it is necessary that HR professionals start planning now and the most effective way to prepare for a downturn is to strengthen the way the organization operates today (Jyoti & Sarthak, 2019). Adopting a culture of continuous improvement is going to help organizational leaders and HR identify opportunities to better align their human capital with overall organizational goals, streamline processes, seize opportunities to grow, learn from the past and focus on the future. According to Tsao *et al.* (2016), the best way to begin planning for an economic downturn is by collecting information about the organization's employees that can be used for long-range planning. It is necessary that during planning for en economic downturn the human resource looking at the data, knowing who is where in their careers, who is where in their teams and trying to find out whether employees are ready to move into the next position. The HR should review job descriptions and tasks and determine whether responsibility for those tasks can be more evenly distributed throughout the team. By understanding the big picture, HR leaders can advise business leaders on how to ready the workforce for future changes without resorting to morale-damaging layoffs (Gunnigle, Lavelle & Monaghan, 2018).

Arzenšek and Musek Lešnik (2016) advice that it is important for the management to view employees as valuable assets. They believe the company cannot succeed without employees, therefore employees should be regarded as stakeholders instead of just workers. During economic downturn period employees should be kept engaged in their work and let them know how much the company values them. According to Thumiki, Jovancai-Stakić and Al (2019), the management should regularly remind employees of how their productivity positively affects the company. During economic downturn the management have the responsibility of recognizing the efforts and achievements of employees by sending them congratulatory emails and verbal thank-you communication on a regular basis. If the company is undergoing a lay-off, along with suffering the loss of their co-workers, existing employees generally have to take on more work. It is therefore critical that the management keep recognizing employees 'hard work (Mayadunne, *et al*, 2018). If the employees are no longer rewarded with large incentives, the management should at least consider small gestures such as thank-you emails to the employees as a way of motivating them during challenging times.

According to Ortega (2016), effective managers whether or not they have the benefit of the experience of a previous recession must consider the effects of the downturn and what it means for their business and survival of the company and employees. Managers should address the key questions like; what do we need to do differently, what do we need to do better? Often, the secret of survival during hard economic times for a company or an organization will be getting the simple things right rather than embarking on wholesale radical change in every aspect of the operation (Sirola & Pitesa, 2017). Many practical steps can be taken to minimize the effect of the downturn and position the business to emerge strongly when economic conditions improve. Studies have shown that merger and acquisition opportunities will present themselves in most industries during downturns (Amorim, Lobo & Couto, 2019; Mandal, 2020). The key to availing of these opportunities, which tend to be more favourably priced than in a booming economy, is having the financial and operating flexibility to move quickly. There are particular skillsets required in acquiring distressed businesses and experience shows that if deals are effectively managed in a downturn there is the potential to generate above average returns once trading conditions return to normal. It is important not to lose sight of the importance of careful tax planning while dealing with the new management challenges presented by the downturn (Amorim *et al,* 2019).

A study by Bernstein and Spielberg (2016) asserted that, while still ensuring that an organization remains fully tax compliant during economic downturn, it should be possible to improve the organization's cash flow position by reducing or deferring tax payments to the Tax Office. According to the study, the available option for the organization would include making maximum use of losses in calculating Preliminary Tax Payments and ensuring that all available deductions are being claimed. At a more strategic level, falling asset values can also be taken advantage of for crystallizing losses and tax effective succession planning. Machek *et al* (2019) indicated that from a human resource perspective tax efficient remuneration strategies is more important than ever; likewise, the tax implications of any workforce reduction which proves necessary for both the business and the individuals concerned should be closely examined. There is no better time to prepare for an economic downturn than when business is good. With the severity of the 2007–

2008 financial crisis in the United States of America still fresh on the minds of many directors and executives, companies should always prepare for an economic downturn in the cool of the day rather than reacting in crisis mode in the heat of the moment. Plans are documented with specific action steps that are triggered if certain harmful events occur. Such events might include natural disasters (floods, earthquakes, etc.), cyber security breaches, terrorist activities, fire, fraud, theft or embezzlement. Notably, these perils may never occur, but the plan stands ready nonetheless if they do. Plans are also developed to address market opportunities, should they arise. But the focus of this study is on an economic downturn and how managers manage their employees during such challenging times. It is virtually irrefutable that a recession will occur at some point as our historically reliable economic cycle unfolds. Therein should always exist the wisdom of creating a contingency plan to; mitigate the financial impact of a severe economic downturn on earnings and share price and position the company to gain market share during the recovery (Aziz & Rowland, 2018).

Baldeosingh and Rampersad (2017) opine that an organization can take other steps before an economic downturn to protect against the impact. For example, management can hedge raw material prices and lock in sales prices, and thereby stabilize margins at least for a period of time. Also, if it will reduce costs, management can consider outsourcing non-core activities that are not strategic to the business, e.g., certain HR-support, accounting, manufacturing and transportation activities. As for marketing and branding, viewing market-facing expenditures as a pure cost can lead to deep cuts that can undermine the strategy (Arzenšek & Musek Lešnik, 2016). It may make more sense to focus marketing on sustaining brand awareness during the recession. For example, companies could consider focusing more on cost-effective marketing, editorials and public relations activities to support the brand versus larger advertising and sponsorship expenditures. Finally, the contingency plan should address the impact of interconnectivity and continuity, e.g., what steps would the company take if a major supplier were to go under as a result of the downturn? Stress testing different scenarios that might result from a downturn may help management focus on those areas requiring a more robust plan.

In Europe, the economic and financial crisis is affecting working conditions across EU Member States in different ways and scope (Van Gyes & Szekér, 2013). Yet the pattern is of less work, reduced overall working time, less overtime, rising job insecurity, less choice for workers, wage freezes and wage cuts. There is also greater work intensity, deterioration of work life balance, increasing stress at work, greater risk of harassment/bullying, less absenteeism, growth in the informal economy and changes to migration patterns (Giannakis & Bruggeman, 2017). This report ranks countries by changes in working conditions since the crisis began based on country averages for defined indicators: job insecurity, involuntary temporary employment, involuntary part-time working, net migration, work life balance, work intensity, absenteeism, work accidents and job satisfaction. Average trends can hide composition effects, while the crisis has not had the same effect on all groups of workers.

According to Machek, Hnilica and Lukeš (2019), various factors influence the labour market effects of the crisis. The structure of the economy, for example, plays an important role as vulnerable sectors constitute a larger share in some countries than in others. In other instances, countries where the financial sector has a relatively high employment share such as the United States and the United Kingdom and to a lesser degree Ireland were hit first and hard as the crisis spread throughout the financial system. Similarly, countries are also affected by the varying degrees of exposure to downturns in housing markets, construction sectors and manufacturing exports. According to US Bureau of Statistics (2020), estimates from the US Private Sector Job Quality Index (2020), a project from Cornell University Law School and others, more than 37 million in jobs in the United States were vulnerable to layoffs in the short term as a result of coronavirus pandemic. According to the research, the most vulnerable employees were those who can't afford it. The survey indicated that in the U.S the restaurant industry had ground to a halt across much of the country, with businesses being ordered to shutter entirely and social distancing keeping people at home. The same was for department stores and retailers, gyms, hotels, nail salons, barbershops, and multiple other industries and sectors where employees had their contracts terminated due to hard economic time being experienced. Weekly jobless claims rose to 281,000 nationally the week ending on March 14, 2020 and Goldman Sachs estimated the number would climb to 2.25 million from March 15 to 21 the same year.

During economic downturn a rash of business failures occurs. The reasons as to why these business failures happen is explained by various economic theories as a result of negative economic shocks, real resource or credit crunches brought about by previously over-expansionary monetary policy, the collapse of debt-based asset price bubbles, or a negative shift in consumer or business mood. Regardless of the cause, as the recession spreads, more and more businesses curtail their activities or fail altogether and as a result lay-off their workers. During a recession many businesses lay-off employees at the same time, and available jobs are scarce. In order for the labor markets for each of the many types of labor to clear the surplus of unemployed workers requires getting the right workers matched up to the right jobs, rather than simply balancing generic aggregate workers with generic aggregate jobs from a macro perspective. Workers (and capital goods) across different jobs and industries are not interchangeable blocks that can simply be plugged into the first available opening.

1.2 Statement of the Problem

Unemployment tends to rise quickly, and often remain elevated, during economic downturn. With the onset of recession as companies face increased costs, stagnant or falling revenue, and increased pressure to service their debts they begin to lay off workers in order to cut costs. The number of unemployed workers across many industries spikes simultaneously, the newly unemployed workers find it difficult to find new jobs during the recession, and the average length of unemployment for workers increases (Iacus, Natale, Santamaria, Spyratos & Vespe, 2020). This study sought to examine this connection of economic downturn and management of employees and possible unemployment. Businesses have responded to the problem of economic recession, in a number of ways. Some sought subsidy and tariff protection from the government. Others became more efficient and de-diversified that is, they sold off many of their subsidiaries in unrelated industries. They also reduced their labor forces shedding layers of management and laying off thousands of production workers. Rather than produce the entire product within the firm, more and more work was outsourced that is, purchased from other abroad.

The whole world is currently grappling with the impact of Covid-19 which has affected many economies. Global economic recession describes the growing economic, political, technological, and cultural linkages that connect individuals, communities, businesses, governments and countries around the world and the negative impacts it carries with it as felt in the economies of different states and countries (Mogaji, 2020). The Kenyan economy just like many other economies across the globe faces the rippling effects of the global economic crises brought about by the pandemic resulting to breakdown and decline in economic vigor. According to Gopinath (2020), the effects find expression in downsizing, mass unemployment, and crashes in the money market; there is need to understand the dynamics of the present global economic meltdown with careful study and examination of the issues involved. The Kenyan economy has continued to witness renewed and sustained recession, characterized by galloping inflation, unemployment and declining businesses. The general business cycle of recessions affects human resource management. Such factors as interest rates, inflation, and economic growth help determine the availability of workers and figure into organizational plans and objectives. Decision on wages, overtime, and hiring or laying off workers all hinge on economic conditions.

In the world of statistics there is equally a focus on timely information on the spread and impact of the virus. In the first instance, this of course relates to statistics on the number of cases and the outcome of those cases. However, there is a high degree of interest in the many other impacts of COVID-19, including the many economic and labour market impacts, which have been immediate and very significant, and likely to continue in the near future or potentially beyond. In the case of the labour market many millions of workers across a large number of countries have been directly impacted by lockdowns. Some are able to continue their work through teleworking or remote working arrangements (Krogstad, Gonzalez-Barrera & Noe-Bustamante, 2020). Many others have seen a reduction or complete loss of their livelihood. Others still, for example workers in health or public security, will experience a different type of change, namely a huge increase in working burden in the face of the crisis. This study hence sought to examine the management of employees during economic downturn.

1.3 Purpose of the Study

This study purposed to examine the management of employees during economic downturn.

2.0 Literature Review

2.1 Theoretical Framework

This study was anchored on the Contingency theory which was pioneered by Robert and Schmidt (1957). They developed a contingency theory, as an outgrowth of systems design. Scott adds that in contingency theory the best way to organize depends on the nature of the environment to which the organization relates". The environment has a far-reaching impact on organizations. The growth and profitability of any organization depends critically on the environment in which it exists. Any environmental change has an impact on the organization in several different ways. The study is predicated on the contingency theory as propounded by Fieldler (1967). Ile (1999) asserts that contingency approach to management is of the view that the management technique that best contributes to the attainment of organizational goals might vary in different types of situations or circumstances. He goes further to say that modern theories of organization and management was developed largely since the 1917's by the contribution made by Alfred, Korzybaki, Mary Parker-Follent, Chester, Barnard and Norbert Wiener etc. Contingency theory is guided by the general orienting hypothesis that organizations whose internal features best match the demands of their external environments will achieve the best adaptation (Scott, Lawrence & Lorch, 1967).

The more homogenous and stable the environment, the more formalized and hierarchical the form. Their view is ecological those organizations that can best adapt to the environment will survive. The main underlying contingency are: Organizations are open systems that need careful management to satisfy and balance internal needs and to adapt to environmental circumstances. There is no one best way of organizing. The appropriate form depends on the environment one is dealing with. Different types of organizations are needed in different types of environments.

Contingency theory is an outgrowth of systems design. Scott adds that in contingency theory "the best way to organize depends on the nature of the environment to which the organization relates". The environment has a far-reaching impact on organizations. The growth and profitability of any organization depends critically on the environment in which it exists. Any environmental change has an impact on the organization in several different ways. This theory was considered relevant for the current study since it helped the researcher in understanding how hard economic times such as during economic downturn the organizations are able to manage their employees.

2.2 Empirical Review

Srivastav, Gopalan, Agarwal and Agarwal (2019) in their study examined employee retention challenges in BPO Industry. The study adopted survey research design in which primary data was collected from the respondents using structured questionnaires. The findings of the study indicated that staying connected with workforce is important during economic crisis. According to the findings of the study, there is often disconnect between what the employee wants out of their career and what the employer thinks the employee wants. The study pointed out that communicating with employees and rewarding them for a job well done is always key in motivating the employees to stay with the organization even during economic downturn. All of this can be accomplished by being visible. Take the time to get to know your employees. The study concluded that, walking the talk and building relationships of trust and instilling confidence equates to real money on the bottom line; it is a statistical fact that high employee engagement results in greater efficiency and overall profitability. According to Sarti and Zella (2016), great leaders never lose sight of the big picture, they balance the need for financial prudence with maintaining a loyal and engaged work force. They believe that great leaders recognize that no matter what happens in the economy, there is always a market for high performers. Similar sentiments were shared by Sirola and Pitesa (2017) who indicated that making tough financial decisions may be necessary during times of economic downturn, but the management should keep in mind the economy will turn around and that the work will come back, and when it does, the employees will remember how they were treated during crisis.

Tsao, Newman, Chen and Wang (2016) in their study on HRM retrenchment practices and firm performance in times of economic downturn indicated that HRM retrenchment practices had a negative influence on firm performance and that the relationship between HRM retrenchment practices and firm performance was negatively and significantly moderated by family involvement in management. The study explored the moderating effects of family involvement in management and the effect it had on HRM retrenchment. The findings further indicated that keeping employees engaged despite the economic turmoil is key because engagement is directly linked to the performance metrics that matter most to businesses right now. The study indicated that when compared with their industry peers, organizations with more than four engaged employees for every one actively disengaged employee have 2.6 times more growth in earnings per share than did organizations with a ratio of slightly less than one engaged worker for every one actively disengaged employee. Similarly, Machek, Hnilica and Lukeš (2019) indicated that employee engagement can inoculate business units and companies against lost profitability and the onus of creating that engagement is on managers, who are the epicenter of the work environment. They indicated that creating engagement in an economic downturn is going to be hardest on middle managers because they're stretched so far, managers have more to do with fewer people and many of them are concerned about keeping their own jobs.

Green and Medlin (2010) examined the Impact of recession-based workplace anxiety. The study used a survey design with a sample size of 350 respondents. The findings of the study revealed that the cornerstone of engagement is positive workplace relationships and those relationships are built on a solid communication system. Based on the findings, it was indicated that in turbulent times communication becomes more difficult because of the rumor mill, stressed-out employees, additional job roles added to current duties, and sometimes, the loss of trust. For employee engagement to flourish, contemplate those best practices used in companies that got out of survival mode and have been successful in the down economy. The study recommended that managers should continue with feedback of employees' actual performance by coaching, mentoring and providing learning experiences even during economic downturn. During tough economic times, budgets do not always allow for training off-site, but by discovering the employees' interests, it is possible to do cross-training at the work site. Tiwari and Lenka (2016) were of the opinion that individual engagement can be disrupted in a recession because it is based on fulfilling basic human needs in the workplace and the more the needs are met, the more engaged the individual is, so changes in employment status, like job moves, can be viewed as detrimental.

Fapohunda (2017) in a study which evaluated the global economic recession, Impact and strategies for human resources management in Nigeria revealed that the general business cycle of recessions affects human resource management. Such factors as interest rates, inflation, and economic growth help determine the availability of workers and figure into organizational plans and objectives. The study pointed out that decision on wages, overtime, and hiring or laying off workers all hinge on economic conditions. The Nigerian situation had been tagged feeble due to the negative effects the global economic meltdown has had on the country. Every industry had its fair share of the troubles and companies were licking their sores with resultant effects on the masses. The study found out that while retrenchment and downsizing appeared to be a way out, there was no sense in making it massive. This contributes to the growth of jobless individuals in the street since there are no jobs to which these individuals will find themselves attached when retrenched in one. The study recommended that Human resource practitioners should at the time of economic downturn radiate and give hope and lift their staff from negativity to positivity; a positive team culture stresses collectivism, and symbiosis. Learning is also a key strategy that opens the individual employee to knowledge beyond his/her immediate reach.

Opeyemi (2018) in a study observed that there are cases of unemployment, retrenchments, downsizing and layoffs, which served as indications to a troubled economy. According to the study, what was worse is that individuals had nowhere to turn to except indulging in misconduct and societal condemned activities such as militancy, armed robbery, advanced fee fraud, ritual practices for fetish money among other things and our leaders sit almost helpless. The study indicated that during economic crisis there have become a wide spread of distrust in the competency of the financial sector as the question of fund availability in banks pervades the minds of right thinking Nigerians. The study recommended that during economic downturn there should be programmes designed to put the organization on top of the pack and enable the organization have a competitive edge. There should be workshops and conferences to enable comparing notes on experiences and learning from others. Temporary postings to areas of unsaturated staff, equal opportunities and redeployment could be explored.

Chukwu, Liman, Enudu and Ehiaghe (2015) empirically review on the effect of economic recession in textile manufacturing industries in Nigeria. This research study investigated the effects of economic recession in textile manufacturing industries in Nigeria. Economic recession has disastrous ripple effects on manufacturing industries. A lot of manufacturing industries have gone into oblivion because of this malady. A sizeable income is lost by manufacturing industries during economic recession through reduction in share prices, low capacity utilization, labour turnover, unsold inventories and fall in commodity prices. A cross sectional survey was used to collect data for answering research questions and testing hypothesis in this research work. The data collected from questionnaire instrument were also analyzed using percentages. The research finding show that the effect of economic recession in manufacturing industries are low capacity utilization and factory closure, horrendous nosedive in stock market prices, delisting of share at the stock exchange, fall in commodity prices and low foreign direct investments. Horrendous nosedive in stock market prices has the foremost effect on manufacturing industries and this result in low investment in shares and expansion. A comparison of the effect of economic recession between Afprint and Enpee textile industries show that both industries rate horrendous nosedive in stick market prices as the major effect of economic recession. The variables that were hypothetically tested as the effect of economic recession has significant effect on Textile industries in Nigeria We recommend an economic reform program that will be able to tackle the problem of economic recession such as providing bailout fund, single digit interest rate, long term loan, resuscitation of decayed infrastructure especially, power and strengthening the stock exchange.

Elizabeth and Ogochukwu (2018) assessed the role of management accountants in managing the impact of economic recession on Nigerian economy. The study adopted a survey method of research design and the target population of the study comprised forty eight (48) manufacturing firms listed on the Nigerian Stock Exchange. Data for the study were collected from primary source through interview of the management accountants in each of the selected firms and analyzed using T-Test Statistics. Findings showed that the key roles played by management accountants in managing the impact of economic recession on Nigerian economy include; engaging in bulk purchases of raw materials and competitive buying, sourcing alternative local raw materials, embarking on cost engineering, prompt analyses of segments/products contribution margin, and carrying out comprehensive investment appraisals of every project to know the viable ones. Some other key roles were the use of weighted average costing method for valuing materials and replacement value method for pricing the finished goods. Based on the findings, the study recommended that the producers of local raw materials for the manufacturers should endeavour to improve on the qualities of their raw materials to come up to the standard quality desirable by manufacturers. Also, management accountants should perform their duties with meticulous professionalism by reacting promptly to the signs of an economy being in recession and report to the relevant authority.

Elsukov and Amirov (2019) examined the state management of the employment in the conditions of the economic crisis in Russia. The study examined the problems of the employment state management was facing. The characteristic of the role of employment management in the system of state economic regulation was given. In the study, the dynamics of unemployment, employment, and labor force participation was analyzed. The success of the authorities in achieving the aims of the employment state regulation is demonstrated. The established and current trends in the structure of employment changes in the scale of the Russian Federation, federal districts and constituent entities of the Russian Federation are revealed, the socio-economic consequences of the situation around employment are analyzed. The characteristic of the number of employed poor people is given, the expert estimates of the shadow economy increasing were given the estimations of the informal sector of the economy volumes are presented. The estimation of the achieving the goals degree of the authorized state employment agencies was provided, the causes of a systemic crisis of state employment of the population are identified.

3.0 Research Methodology

The study used a desk study review methodology where relevant empirical literature was reviewed to identify main themes. A critical review of empirical literature was conducted to examine employee management during economic downturn.

4.0 Research Findings and Discussion

Based on the reviewed literatures, the study established that communicating with employees and rewarding them for a job well done is always key in motivating the employees to stay with the organization even during economic downturn. All of this can be accomplished by being visible, and by taking the time to get to know the employees. The findings of the reviewed literature indicated that great leaders never lose sight of the big picture, instead they balance the need for financial prudence with maintaining a loyal and engaged work force. It was found that great leaders recognize that no matter what happens in the economy, there is always a market for high performers. Making tough financial decisions may be necessary during times of economic downturn, but the management should keep in mind the economy will turn around and that the work will come back, and when it does, the employees will remember how they were treated during crisis. The findings further indicated that keeping employees engaged despite the economic turmoil is key because engagement is directly linked to the performance metrics that matter most to businesses right now.

When compared with their industry peers, organizations with more than four engaged employees for every one actively disengaged employee have 2.6 times more growth in earnings per share than did organizations with a ratio of slightly less than one engaged worker for every one actively disengaged employee. Based on the findings, in turbulent times communication becomes more difficult because of the rumor mill, stressed-out employees, additional job roles added to current duties, and sometimes, the loss of trust. For employee engagement to flourish, contemplate those best practices used in companies that got out of survival mode and have been successful in the down economy. During tough economic times, budgets do not always allow for training off-site, but by discovering the employees' interests, it is possible to do cross-training at the work site. Individual engagement can be disrupted in a recession because it is based on fulfilling basic human needs in the workplace and the more the needs are met, the more engaged the individual is, so changes in employment status, like job moves, can be viewed as detrimental.

Based on the findings from the reviewed literature, while retrenchment and downsizing appeared to be a way out, there was no sense in making it massive. This contributes to the growth of jobless individuals in the street since there are no jobs to which these individuals will find themselves attached when retrenched in one. Learning is also a key strategy that opens the individual employee to knowledge beyond his/her immediate reach. The effect of economic recession in manufacturing industries are low capacity utilization and factory closure, horrendous nosedive in stock market prices, delisting of share at the stock exchange, fall in commodity prices and low foreign direct investments. Horrendous nosedive in stock market prices has the foremost effect on manufacturing industries and this result in low investment in shares and expansion.

The findings further indicated that the key roles played by management accountants in managing the impact of economic recession on economy include; engaging in bulk purchases of raw materials and competitive buying, sourcing alternative local raw materials, embarking on cost engineering, prompt analyses of segments/products contribution margin, and carrying out comprehensive investment appraisals of every project to know the viable ones. Some other key roles are the use of weighted average costing method for valuing materials and replacement value method for pricing the finished goods. Based on the findings, one of the fall-outs of economic downturn is massive lay-offs, this means companies are expected to accomplish the same amount of task with less number of employees. Employees may be expected to work outside of their area of expertise. Therefore, training the employees to perform other jobs will help keep the company afloat during economic downturn is necessary, while also making the employees more confident in multi-tasking, offering more flexibility.

The findings of the reviewed literature in addition pointed out that, by understanding how employees perceive morale, organizations may be able to assess the return on investment of the different tools and techniques that are implemented to improve morale within the organization during economic downturn. Subsequently, organizations can also assess whether or not morale is a factor that they must attend to as a way to ensure other benefits such as loyalty, retention and productivity. Thus, by gaining understanding into morale, organizations can not only ascertain their current employee level of morale but also determine its relationship to other potentially beneficial organizational concepts. Based on the findings, during economic downturn, it is necessary that the management dig down and discover the issues affecting their employees and be willing to act on them. This can be done using formal tools such as questionnaires and focus groups which provide employees with the opportunity to voice their concerns and suggest improvements. According to the past studies, if employees believe that their anxieties and recommendations are being taken seriously, it strengthens the employment relationship and the fabric of the organization as a whole even in times of economic crisis. By measuring specific drivers such as communication, trust in leadership, recognition and reward, the management is able to expose the root causes of any problem areas. Survey results can be used to derive an action plan, with specific aims attached to particular individuals. Regular updates also need to be communicated company-wide to highlight progress on specific issues and fuel the engagement process further.

Finally, from the reviewed literature it was established that whether a company has an engaged, motivated workforce is not dependent on economic circumstance. Even in the most challenging times such as economic downturn, owners/managers who are honest with their staff, commit to credible communication, transparency of action and regular feedback will build trust, confidence and loyalty. Based on the findings, this does not mean that all management decisions will be to employees' liking or even in all of their interests, but there will be fairness, far fewer surprises and a greater understanding of the decision-making process. By involving employees in problem-solving or business development and by openly recognizing their contribution the management will be creating an invigorating, progressive and inclusive workplace that is more likely to survive the bumpy roads ahead.

5.0 Conclusion

This study sought to examine the management of employees during economic downturn. The conclusions were drawn from the findings of the reviewed literatures. On the basis of the findings of the reviewed literature, the study makes the following conclusions with regards to the management of employees during economic downturn; walking the talk and building relationships of trust and instilling confidence equates to real money on the bottom line; it is a statistical fact that high employee engagement results in greater efficiency and overall profitability in times of economic downturn. The study concludes that employee engagement can inoculate business units and companies against lost profitability and the onus of creating that engagement is on managers, who are the epicenter of the work environment. Creating engagement in an economic downturn is going to be hardest on middle managers because they're stretched so far, managers have more to do with fewer people and many of them are concerned about keeping their own jobs.

Further, the study concludes that when times are tough it's tempting for business owners and managers to put engagement initiatives to one side and focus on organizational pressures. However, this is precisely the time when actively engaging with the employees is most critical as they will be scrutinizing and judging leadership behaviour even more closely. Therefore it is during such times of economic downturn that the management should focus on managing their employees more than ever. Based on the findings it suffices to conclude that while retrenchment and downsizing appeared to be a way out in times of economic downturn, there is no sense in making it massive since making it massive contributes to the growth of jobless individuals in the street since there are no jobs to which these individuals will find themselves attached when retrenched in one and this is likely to escalate crime rates.

In addition, this study concludes that a smart organization prepares itself for anything, especially for a recession or economic downturn. A recession forces human resource personnel to make strategic decisions about spending that might affect employees in a negative way. In times like these, effective internal communication is more important than ever. No manager wants to lay off their employees, but sometimes, this is inevitable. Before the recession begins, human resources need to evaluate and document the employee's work, this has been found to be the common mistake that businesses make is laying off employees that underperform without ample documentation. However, if there is no proof that the employee is underperforming, then that is a lawsuit waiting to happen.

6.0 Recommendation

This study recommends that making tough financial decisions may be necessary during times of economic downturn, but the management should keep in mind the economy will turn around and that the work will come back, and when it does, the employees will remember how they were treated during crisis. Managers should continue with feedback of employees' actual performance by coaching, mentoring and providing learning experiences even during economic downturn. During tough economic times, budgets do not always allow for training off-site, but by discovering the employees' interests, it is possible to do cross-training at the work site. In addition, it is recommended that the management should document employees' performance since documenting employee performance encourages employees to perform well, exceeding expectations during an economic downturn and helping to minimize the number of cuts the company may needs to make.

This study further recommends to the management that they should avoid constant and unnecessary layoffs during economic downturns since layoffs demoralizing cycle can strip employees away from the security and comfort of working for the company. It's best for the management to use layoffs as a last resort, and instead make other cuts so that their employees still feel a personal connection to your company. If a worker who has the most experience and works the hardest in the company observes massive layoffs during the economic downturn, then he or she would be discouraged from continuing their work. If this happen, the organization's top employees might start looking for another job that will give them the security that they need. This issue would entail losing a valuable worker and wasting hours of training them.

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It is important that the management find the right balance between transparency and not scaring the workers in times of economic downturn since it is essential to keep the employees informed about the economic downturn and solutions to deal with it, but not share too much information that would put personal connections with the employees during such hard times at stake. After all, no one likes walking into work to find out that the business is cutting half of its employees; therefore internal communication is essential, and it prevents the company from burning any bridges with employees. This study concludes that the management should try by any means possible to reduce conflicts in their organization during economic downturn. The management can do this by training managers and employees to resolve conflicts through open and respectful communication and negotiation. In addition, the management should also minimize job conflicts by clearly defining job expectations and treating employees fairly and equally. An employee experiencing personal stress, such as from financial problems, is more likely to have interpersonal conflicts at work and therefore keeping an eye out for changes in how an employee relates to co-workers is very important during economic downturns and the management should always be ready to offer assistance or counseling to their employees during such times.

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