



What Biotech Leaders Should Know in a Recession – Let’s Talk About the Impact on Employees!




Natasha Bowman
SVP, Head of Human Resources
Arcturus Therapeutics

Danielle H. Moore
Partner, Fisher Phillips
dmoore@fisherphillips.com

fisherphillips.com

1

ROADMAP:



1. Are we heading towards a recession?
2. What does it mean for employers?
3. What are we seeing and what can we expect?
4. How Do We Prepare?

2

Are we Headed Towards a Recession?

- Continued supply chain, increased gas prices, inflation, interest rates
- Hiring freezes and layoffs – PayPal, Uber, Netflix, Meta, Twitter
- RIF requests from clients
- Major acquisitions, investment funds drying up
- Some slowing of the talent war
- Either way, a majority of employees believe the recession is coming

fisherphillips.com

3

What Does it Mean for Employers?

Increased Volatility:

- Increased mental health concerns
- Increased claims
- More unrest
- Greater sensitivity
- Continued demand for flexibility and remote work



fisherphillips.com

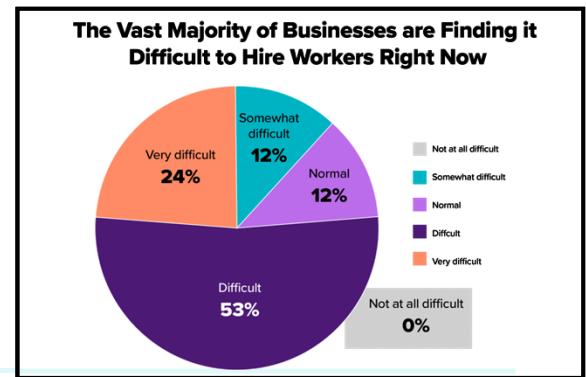
4

What Are We Seeing?

FP Flash Survey Reveals: Half of Employers Face “Severe” Workforce Shortage Crisis, But Family Care Solutions Could Be the Key to Recovery

94% of employers reported that they have experienced more difficulty than normal in retaining and recruiting workers, with more than half (53%) reporting “severe” difficulty compared to normal times.

fisherphillips.com



5

What Are We Seeing?

Flash Survey – What do Employers Say:

- 60% said that employees were departing for “higher-paying” jobs;
- 36% said that workers reported being stressed or “burned out;”
 - Particularly in healthcare / education
- 35% cited family care responsibilities;
- 33% left for better work/life balance;
- 29% said departing for jobs with greater benefits/perks; and
- 22% are saw an increase in employees retiring from the workforce.

Employees are migrating from “crummy jobs” to “better jobs” and from “companies that don’t seem to care” to “companies that really really care.”

fisherphillips.com

6

What Does it Mean for Employers?

A Change in the Tide:

Workers have gained considerable leverage in the job market and workforce shortage, but a recession typically shifts that leverage to employers.

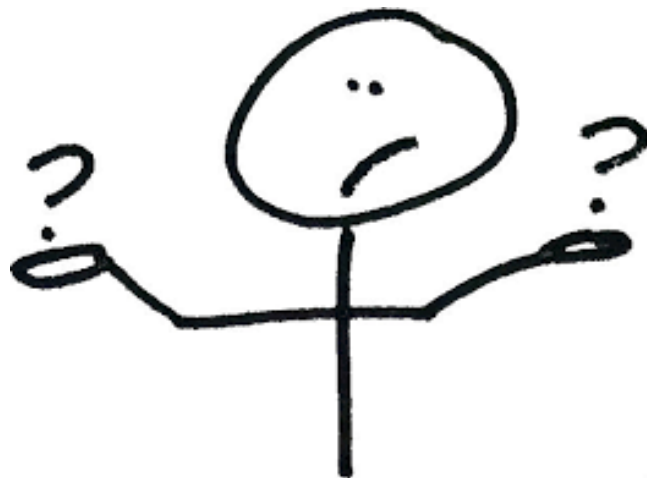
**Is the era of employee empowerment slowing down?*

**Can we expect a shift this time around?*

fisherphillips.com

7

How Do We Prepare?



fisherphillips.com

8

What Do We Do?

It's too easy to leave – We Need to Create Stickiness

- The pandemic has changed employee mindsets –
 - Employees know we can flex,
 - That work can be accomplished in many ways
 - That they are valuable
- Alternative sources of income
- Employers are upping their game, / greater competition
- Employee expectations are at an all time high
- Employees want different things



fisherphillips.com

9

What Do We Do?

How Do You Create Stickiness – REMEMBER:

- They don't see you investing in their growth / no career path
- They don't feel like you care
- They feel detached
- They are stressed, exhausted and often dealing with mental health issues
- They expect corporate responsibly and good corporate citizenship
- They are demanding remote work, and they know it can be done
- They want greater work-life balance and flexibility
- They are feeling stressed / and burned out

= it's time to embrace your workforce!

fisherphillips.com

10

How Do We Prepare?

Downturns are especially difficult for frontline managers:

- Tasked with delivering bad news.
- Fewer resources and greater responsibilities.
- They are strapped, frustrated and often assume that they don't need to worry about culture and people-related issues.
- That frustration carries through to subordinates



fisherphillips.com

11

How Do We Prepare?

Mitigate Stress, Mental Health, and Uncertainty

- Especially stressful for rank-and-file employees and especially when RIFs occur or the company appears to be struggling
- Open, consistent and honest communication and regular feedback is key
- Leaders need to remain visible, transparent and accessible
- Make employees your partners – people are less fearful when they have some power to impact the situation

fisherphillips.com

12

How Do We Prepare?

Avoid Tabling Prevention Efforts

- Focus on them now before cost cutting measures kick in
- In a recession cutting any cost not immediately critical is tempting
- But, in a recession, employees are desperate and look for alternate revenue sources
- And, businesses are left without the resources needed to stay compliant and proactive.



fisherphillips.com

13

How Do We Prepare?

Focus on Tracking Objective Metrics

- Data on productivity, compensation, training and other items can help an organization know what impact downsizing will have. Armed with the right data, you can reorganize, streamline and avoid pitfalls.
- Metrics can educate your RIF decisions and cost cutting measures, including bonuses or merit increases
- Metrics also make for strong termination decisions and solid litigation defenses
- Document performance issues; make sure that evaluations accurately reflect the work of employees.

fisherphillips.com

14

How Do We Prepare?

Think Creatively

- Ensure flexibility. Develop a plan to move people to where they're needed most and cross-train.
- Consider some amount of remote work to offset increased costs,
- Look at alternative work schedules,
- Use technology to perform routine tasks, onboarding or training.



fisherphillips.com

15

How Do We Prepare?

Take Advantage of Low Hanging (inexpensive) Fruit – providing benefits with low cost



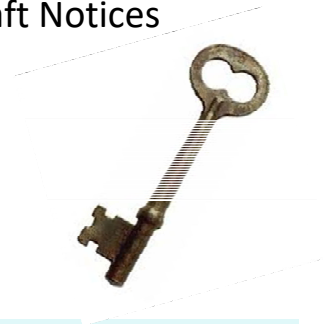
- Financial wellness programs / training
- Short term employee loans
- Mental Health Benefits
- Integrated savings accounts and/or savings matching
- Wellness Apps
- Feel good programs that engender loyalty

16

Reductions in Force

If You Must RIF, Key Considerations:

1. Plan the RIF Early– Determining Overall Objective
 - Determining your methodology
 - Developing Messaging
 - Review Policy Considerations, employment agreements, RCAs
 - Review WARN and Cal-WARN Notice – Draft Notices
 - Severance and the OWBPA
 - Discrimination – Adverse Impact Analysis
2. Conduct the RIF with Dignity
3. Consider Logistics – Implementing
4. Don't Forget About Those Remaining



fisherphillips.com

17

Reductions in Force - Major Pitfalls

- Poor or rushed plan
- Shaky selection process
- Treating people differently without an articulable reason
- Manager backlash
- Unclear messaging
- Undefined plan of action
- Disparate Impact class action

**Employees who remain never forgot how those who were laid off were treated.*

fisherphillips.com

18

Fisher Phillips People Services & Industries Insights Innovation Offices

The Changing Employment Equation

[View More Insights →](#)

Subscribe to Our Latest Insights →

©2022 Fisher & Phillips LLP. All Rights Reserved. Attorney Advertising Privacy Local Notice Consent Payment Portal My Binder in t f y

fisherphillips.com

Don't forget!

Keep an eye on new developments in the law and stay up-to-date!

19

Fisher Phillips

Thank you

Danielle H. Moore
 dmoore@fisherphillips.com
 858-597-9616

fisherphillips.com

20