

## CASE FOR CHANGE

- An effective employee communication strategy must align and reflect the business strategy, or it will unknowingly work against it.
- If the employee communications strategy remains focused on “delivering messages” instead of “creating meaning”, employees will be unprepared to realize and sustain the changes promised by the organization.
- Employee communication strategies are too often based upon older (implicit) strategy and will likely work against the new one if not formally realigned.

*“The greatest problem with communication is the illusion that it has been accomplished.”*

- George Bernard Shaw

## REALIGNING EMPLOYEE COMMUNICATIONS IN SUPPORT OF THE BUSINESS GOALS

The realization of the business’s goals requires a new approach to the process of employee communication and it’s a strategic risk spending time and effort on outdated approaches.

Businesses risk their ability to change the way they work on an enterprise level due to the disconnect between the communication the business needs and the communication it often receives. In other words, many company’s employee communication strategies and practices are trapped in the past. *“If cars had improved at the same rate as computers,’ says Bill Gates, ‘we’d have \$25 cars achieving 1000 miles to the gallon.’ But if cars had improved at the same rate as internal communication, we’d still be walking in front of them with a red flag! “*

By failing to make a strong enough connection between business strategy and employee communication, businesses make it difficult to plan and monitor progress appropriately. Organizations risk the enterprise becoming increasingly frustrated by the failure of communication to deliver results. Businesses may be short-changing themselves by not seeing communication through to the end – “converting awareness into action”. The real value of employee communications is its ability to help deliver business ends by enabling employees to turn strategy into action. However, getting there means draining a swamp of communication confusion and complexity to create a path of coherence and consistency.

Your organization’s current and future business challenges must be affected by the clear targeting and management of employee communication. However, a 'one size fits all' approach will not work. Employee communication needs to be aligned specifically with the organization's individual business strategy.

## USING EMPLOYEE COMMUNICATION TO GAIN PEOPLE'S SUPPORT FOR THE BUSINESS STRATEGY

As business strategies emerge, your organization must be keen for employees to understand the business strategy but, more importantly, it needs employees to help turn this strategy into reality by providing excellent customer service, continuous improvement and innovation. Companies thrive by offering customers something different and more valuable than its competitors can. It then must ensure employees deliver on the promise it makes to customers and employee values, loyalty and behavior are all connected. Building an internal culture which creates unity and pride among employees, acts as a competitive edge that is difficult for our competitors to copy.

## HOW CAN COMMUNICATION CREATE VALUE?

Communication is vital to creating value. Its importance lies in turning strategy into action. For business strategies to succeed, employees need to understand what the strategy is, the context to the strategy and the rationale behind it. They need to know their own role and the specific actions they should take. The enterprise must treat employee communications

The first step to realizing the value of employee communication is to expect it to have some.

as a value-adding business discipline. Employee communication is so critical to business success that it cannot be approached as a cottage industry or left to 'gifted amateurs'.

If your business focuses only on communicating "what" employees must do...they will take responsibility for the task. However, if your company engages the workforce, in a cycle of active and trustworthy dialog...employees will take responsibility of the solution.

## HELPING MANAGE COMPLEXITY

Flatter structures are devolving decision making to lower levels in organizations, creating the need for more information to ensure high-quality decisions. Your business's employees expect to be treated as adults and want to know the 'why' as well as the 'what' behind management decisions. All this means a geometric increase in the amount and complexity of information being circulated. The transformational change your business is now pursuing means being in a state of almost constant flux. This means agility, learning and adaptation will be key to realizing and sustaining our competitive advantage.

Speed of implementation may ultimately prove more important than brilliance of strategy. However, speeding up the change process is a tall order; in effect, your business must change the gearbox while keeping the car on the road. You must win the support and participation of employees, manage change while maintaining normal activities and ensure the changes we introduce stay in place. Effective employee communication facilitates change. Handled correctly, it makes implementation easier and faster, reduces resistance to change and provides clearer leadership.

## TOXIC COMMUNICATION

Although employee communication can provide greater value for organizations, there are some improvements which must be made first. Many internal leaders fail to convey their objectives to their staff effectively. Trust inside many parts of the organization can remain low, and in other areas some employees are happy to be ignorant of what is going on around them. While change is constant, it's too often communicated poorly, and the volume of information overloads limited employee "brain space". Finally, many parts of organizations often confuse volume and value, and producing 'toxic communication' which consumes employees' time while creating confusion. Employees who understand the big picture are more likely to play their part to help your enterprise succeed. To realize business strategies, your company needs employees who are clear about the overall direction and the part they need to play. The enterprise also needs employees to be willing to follow the lead and play their part.

As your business embarks on a transformation within the marketplace, the speed of this change may likely be hindered by:

- *initiative indigestion* - the number of initiatives exceed employee's ability to digest change;
- change initiatives which confuse employees and clamor for their time and attention;
- disagreement between the strategic thinking of senior leaders and the perceptions of those on the front lines of the business;
- a disconnect between the leaders, the change strategists, and the professional communicators whose function is to facilitate change within the rest of the organization.

A failure to make communication clear and simple will create resistance and contribute to a failure to reach short term and overall goals. The growing volume of information competing for employees' attention risks being confusing rather than helpful, and frustration with how communication is managed will rise.

In an enterprise embracing transformational change, and thus demanding quantum leaps in performance, effective employee communication can be a powerful means of realizing the promises of business strategies. To do this, it must be well managed. Overlooking areas of unmanaged or undisciplined approaches to employee communications or failing to properly align employee communication strategy with that of primary business strategies will clutter the organization,

spreading greater complexity and confusion. Poorly disciplined communication will prove a roadblock to the very change that's needed.

Traditional approaches to employee communication is that of the production line. Too often the most efficient communication is that at the lowest unit cost, exposing the greatest number of eyeballs, in the largest sized groups, to the greatest number of "messages" in the shortest amount of time. This may be efficient, but it certainly is not effective. While some organizations continue to view employee communication as the dissemination of information or messages (the "post office" approach), others are starting to use it as a key means of engaging and directing their people. Your company must become one of these organizations.

## IMPROVING EMPLOYEE COMMUNICATION

For employee communications to be a strategic tool, it must be able to help employees share knowledge and information, extract meaning from them and make decisions which add value. This demands employee communication which helps people convert information into action in a four-step process:

1. **Providing content** - providing people with data, information, ideas and concepts.
2. **Putting it in context** - employees need to be able to process information, and to make it relevant to their situation. They need to be able to put it into a context - to add a new piece to the jigsaw of what they already know. Putting information in context is critical because meaning depends on shared context. Seeing the bigger picture also helps people navigate through information sources and communication channels. After all, if you know where you are trying to get to, and you know where you are, reading the map is easier (Employees need a common understanding of "which way is North").
3. **Fostering dialogues** - employees need to explore, test, and understand the implications of what they are doing. This is best done through conversation - a process that enables them to develop a shared understanding through sharing views and perceptions (*Connections*, ISM, "Morning Huddles", etc.).
4. **Active Listening** - ensuring communication is understood as intended, to see what must be added to it and what is resulting from it.

The problem is many companies have historically concentrated on the first element of this four-step process - delivering content and creating awareness. Your organization's first step should be to shift from seeing communication as providing input, to seeing it also as producing outcome. Without checking the outcome of communication - that the information is received, that it is understood correctly, how it's being interpreted and whether it's being translated into action - there is no true communication...just the distribution of information and the broadcasting of messages.

## COMMUNICATION MUST BE MANAGED AS A CYCLE

While it is politically correct among many senior managers to say employee communication is important, several problems typically accompany this claim. Leaders within the organization often do not give communications priority, and it is not seen as a key part of leadership. A vicious circle therefore turns into a downward spiral. For example, a lack of time invested in communicating strategy to often leads to a lack of understanding at all levels of the organization.

Employee communication must be...

- viewed as a process
- managed like a cycle
- supported by a service

Because behaviors do not change, actions do not match the strategy, so frustration sets in, and less time is invested in communication. Business priorities continue to squeeze out communication time and local management fails to make communication a priority. The communication function may be inadequately resourced, and there is insufficient business support for skills development. Finally, regular measurement and accountability are avoided, so there is no evidence of change or return on investment.

Meanwhile, those who are keen to improve employee communication inside the business become increasingly concerned. They want to link communication to the business strategy, but may have managers, leaders or internal clients who perceive communication as being largely about distributing “newsletters” (intranet, email, etc.).

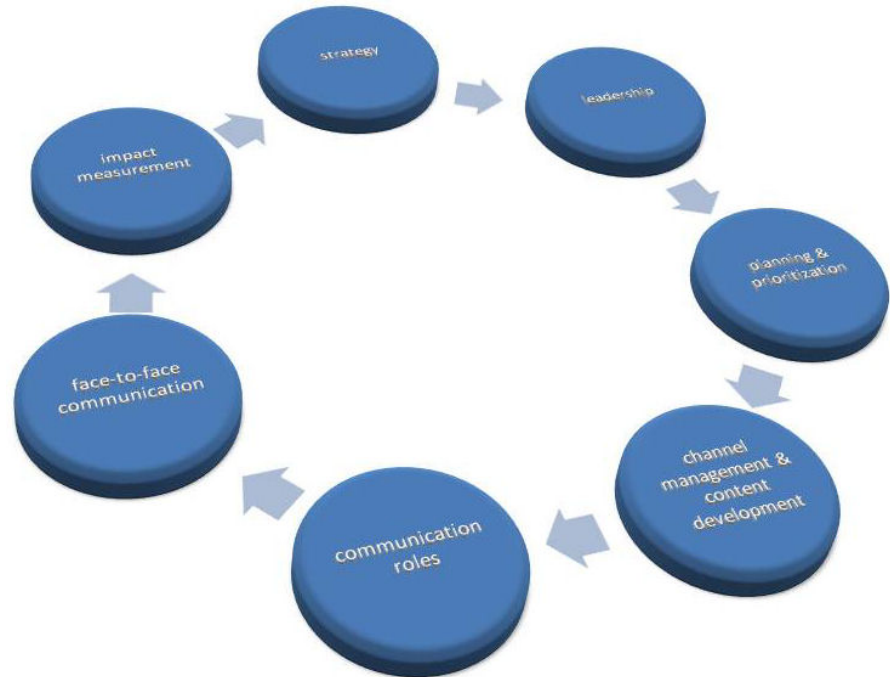
The organizations of today must now move the enterprise-level employee communication effort to a new phase - using employee communication to create understanding which can be turned into valuable action. This requires better communication integration and management, and greater employee involvement and dialogue.

While no company is capable of perfecting employee communications, there are some simple reasons why some companies get it so wrong. At the heart of their failure lies a series of broken connections in the communication circuit. Communication strategy is not connected to business strategy; measurement is not connected to business outcomes; face-to-face communication is not connected to creating understanding and engagement.

It’s not uncommon in mid-size to large companies for different responsibilities to be placed in different departments - planning in Strategy, internal communication in Corporate Affairs, measurement in Human Resources - and are not integrated or formally connected to each other. This is like assigning different builders to work on different parts of a house, with different plans and hoping the individual parts will come together harmoniously. The organizations of today must first make the connections between departments which own parts of employee communication and then make the connections between the separate elements of employee communication which each department owns. The enterprise must take full advantage of any ongoing transformational change process to foster a new mindset which views communication as a process, manages it as a cycle and supports it like a service.

To achieve greater return from our investment in employee communication, companies must use the principles of linkage and mutual reinforcement, to form a cycle of communication, with the following seven links:

- strategy
- leadership
- planning and prioritization
- channel management and content development
- role of the employee communication function
- face-to-face communication
- impact measurement



The first three links focus on **doing the right thing** and making the connection between the business strategy and the communication strategy.

The next four links focus on **doing things right** - having efficient and effective processes. When activity in all the links is aligned, employee communication can drive real business value.

The challenge is twofold:

- develop and implement good practice in each of these areas
- link them together so they are mutually reinforcing.

### Strategy

The purpose of employee communication must be more than keeping employees happy or convincing them your organization is a company they should admire. It should be business-focused and help employees understand the business' competitive strategy and how to deliver on it to produce profit (*a mission to believe in – not just a company to admire*).

There are three steps to achieving this:

1. clearly identifying the employee communication strategy
2. identifying the attitudes and behaviors needed from employees
3. targeting communication towards helping achieve needed attitudes and behaviors

The focus is on closing a performance gap - identifying the roadblocks to adding value and then using communication to help remove them. In a successful state, your business will not start to communicate when an identified change is needed, instead there will already be an understanding of the bigger picture in place to allow for rapid response. The employee communications organization (communicators) must forge strong links with those who drive strategy and change - the strategy, planning, marketing, merchandising, store operations, human resources, and IT functions.

## Leadership

In its basic form, leadership involves setting the agenda and then taking others with you. To do this effectively leaders within the enterprise must communicate in a way which inspires others and builds a sense of commitment to shared goals. Leaders may have different styles, ranging from “big picture” to small details...and from entrepreneurial to controlling. Whatever their style, communication remains central to their leadership role, the critical success factors being:

- **Consistency of message.** The leadership team must be seen to agree and be consistent in purpose.
- **Clarity of purpose.** The top team should define the direction of the organization, state it clearly and simply, and then make sure it is distilled into a few unambiguous targets.
- **Clarity of principles.** People should understand the way in which their leader would apply the organization's values, so that they can make decisions on the ground according to these principles.
- **Focus.** Very few priorities should be set, and they should be emphasized repeatedly.

(These critical communication success factors are consistent with any change management success principles found within the enterprise.)

To have maximum impact on the organization, employee communication and its strategy must have the full endorsement of executive leadership. This will make finances and resources for communication more readily available and keep communication on the executive's agenda since they will want to see a return on investment.

Leaders throughout the company need to sponsor and review the employee communication strategy and plan and agree and stick to key messages. They must show the way by having specific communication targets which are publicly measured.

Your business enterprise is complex; however, employee communication strategy must be simplified if it is to connect with employees on the front lines. Successful leadership is directly rooted in effective communication which is kept simple. This means presenting the case clearly, in a way that is compelling and allows people to take action. Too often, clarity, alignment and focus is lost when leaders create difficulties by communicating a million complicated things rather than a few, significant ones. Your company must therefore be able to express plainly the business strategy in a one-page summary, with the top three to five priorities clearly described. There should be clear goals linked directly to the strategy of the business and a clear link to what our customers want and need. Performance information should be communicated more as a series of simple, 'Are we winning?' measures, and less as a list of ratios and percentages.

## Planning and prioritization

Without planning, your business will be unable to manage people's reactions to change. Instead, the organization will be forever 'catching up', ultimately reducing the speed with which change can be brought about. When communicators associated with the employee communication effort do not have sufficient contact with those directing change in the business, they can mistakenly set the wrong priorities (old strategy) and end up announcing the 'what' of change rather than sharing the 'why'. Employee communication plans must be reviewed at least quarterly to help the business respond quickly to change. Too often communication plans are set annually and are rarely revisited by leadership teams. This creates an organizational risk when one of the most powerful weapons in the change armory – employee communication – too often is firing blanks.

To achieve higher levels of success from employee communication efforts, organizations must show clear linkages between different initiatives and give people the bigger picture of change. If communicators associated with the employee communication effort are to help your company achieve its objectives, they must be involved earlier in the planning process and involve senior management in the planning. They must focus on business objectives, not communication objectives, and identify issues from the employees' viewpoint, not just the viewpoint of the enterprise. Communicators can help by being explicit and specific about what decisions must be made, and what employees need to do differently.

## Channel management and content development

Communication is about the transfer of meaning from person to person, not simply the passing on of messages. The more chaotic, new, or interconnected change becomes, the more employees are forced to make choices and prioritize. Helping them find their way through the maze of change depends on making information meaningful and highlighting its point. In other words, if your company wants to create understanding, the employee communication effort must create “meaning” not “messages”.

Employees' mental capacity to absorb and process information should be treated as a strategic resource. The success of the business depends on employees being able to use information well to make good decisions. (According to research done at UC Berkeley, the average professional worker receives 178 messages per day by email, phone, fax, etc.) In a world that automatically increases employees' information load by 2 per cent per month, communication reducers, not producers, are needed.

To achieve success, employee communication channels need to be better managed to target information, reduce interruptions by irrelevant messages, and liberate employees' time and “brain space”. Companies need the right mix of communication channels, and to be able to use the right channel for the right type of information. Equally, organizations must target employee audiences more closely and tailor messages more relevantly to better address employee interests and concerns.

Reducing information overload will require your company to shift from the 'oil refinery' model of communication, in which more messages are pumped down communication pipelines. The business must shift instead towards a model of 'air traffic control', which has an overview of communication activities and plans and coordinates communication to avoid overload and communication collisions. This means companies will have to work harder to make communication simpler, translating 'management-speak' into 'plain talking'.

Supply partnerships are foundational to the success of almost every organization. To become more valuable, the employee communication effort must follow the same route. Employee communication needs to be treated as an end-to-end process, with greater partnership and cooperation among all the different communicators within an organization.

## The role of the employee communication function

Historically, employee communicators are typically overloaded and frustrated as they try to focus on the strategic, while having to devote most of their time to dealing with the tactical. Too often, the obstacle to employee communication departments adding value is often a lack of access to decision makers and being trapped in their internal customers' perception of them as messengers. This is made worse by their own narrow focus on employee communication objectives rather than on business objectives. For the employee communication function to deliver value it must be located close to the heart of the business - somewhere it can support the ways in which value is created for customers and close to where “the money is made”.

Communication professionals should be of high standard, with the skills and experience to understand business strategy. Clearly, if part of their job is to express strategy in words that can be turned into action, it helps if they understand it first themselves. Furthermore, clarifying the role of the employee communications department forces the top team to clarify what it wants its employee communication to achieve. In doing so, the top team is more likely to realize employee communication needs to be more than a production department. Instead, it must function as an enterprise level service, in similar fashion to that of Legal or Human Resources.

## Face-to-face communication

It's a mistake for any organization to distribute information in the belief it's communicating. To do so, confuses information with communication. The distribution of information is the first, but not the last step in the communication process.

**Information can travel over wires, but communication happens "between the ears".**

Communication combines two strands - information and interaction. Information refers to the delivery and receipt of data, concepts, and messages, and involves issues of how best to share, structure and extract meaning. Interaction refers to how people perceive and relate to each other, and involves issues of relationships, familiarity, credibility, trust, and collaboration. Both strands must be intertwined for success.

Despite the availability of technology, effective communication is as much about interaction as information. Technology may get information to people more quickly, but it is not a substitute for face-to-face communication.

Face-to-face contact is still employees' preferred method of communication, and all companies can do more to exploit its full value. Time is the most limited resource in most organizations, and better use can be made of precious face-to-face time which is too often used for the wrong purposes - to tell people things they could more easily read about, in meetings which are often poorly run and perceived by some as boring.

Middle managers can add more value - not by acting as a mere conduit for messages, but by putting information into context and painting the bigger picture. However, to do this, they must be given a clear understanding, themselves, of what the issues and implications are likely to be for their people.

Actions speak louder than words, and how managers behave is the most powerful communication. Successful companies remain focused on managers being trained in the skills of building relationships with people, in presenting information clearly and in eliciting feedback to discover how they are being heard. Presentation skills are only the starting point.

## Impact measurement

The goal of any communication program is to have impact; however this can only be established by measuring results against the original intention. Measurement is the only way to ensure what was planned actually happened, and to show a return on investment.

All companies can do more to measure and track the progress and impact of communication efforts. Although some senior managers have specific communication targets and are measured against them, their achievement is usually kept private. In measuring how communication is performing, there are two options - keep the measurement private, so only the "guilty" managers know how badly they are performing or make it public by publishing the scores.

Embarrassment is often more effective than guilt in motivating managers to change. A future employee communications effort should do regular surveys, advocate communication competencies in appraisals, track managers' performance via research and publish the results.

A new set of employee communication standards would make it clear what employees have a right to expect in terms of communication and establish what is expected from them. By setting more formal standards, the boundaries of communication are less open to interpretation, and employees know what to expect. To maximize success, companies must establish clear employee communication principles, and then measure performance against these standards regularly.



## MAKING MEANING: THE BUSINESS OF UNDERSTANDING

The seven links in the communication cycle described above are designed to maximize the connection of a company's employees to the business agenda. However, this is not just based upon repairing broken links but on entirely redefining the role of employee communications.

To maximize success, your enterprise must create understanding among its employees by bringing clear meaning to their information and simplifying the complex. Communication is about creating and sharing meaning, not simply about sending messages. It is not enough to tell employees your company has a strategy and not enough for employees to be able to repeat the corporate values or recite the mission statement.



Employee communications will continue to be viewed as a soft area until leaders at every level are harder on themselves. Unless business leaders throughout the organization insist on early planning, well-coordinated communication and clear and consistent messages with specific actions, communication will fail to deliver the changed attitudes and behavior the business needs.

To be successful, companies must move from a traditional view of communication – “telling the troops” - towards engaging with their people and helping them understand what change means for them. Rather than simply adding new pieces to the jigsaw puzzle, companies must explain the picture on the box, so employees can work out where their contributions fit in.

