Employee Communication: Let's Move from Knowing to Doing

Good afternoon and thank you. It's always a fine thing to stand anywhere near the shadow of Jim and Laurie Grunig, so it's a great honor and a privilege to be here. I want to thank the University of Maryland, the Institute for Public Relations and the Public Relations Society of America for inviting me to deliver this lecture. Like many others, I have been enlightened by the Grunigs' abundant research and inspired by the passion for excellence they bring to our field. With excellence theory, they also gave us the fine gift of hope--a vision of what public relations practice might be in the future.

One of their concepts—a *culture for communication*—has long resonated with me. This refers to an organizational culture that nurtures and is constituted by open communication, by two-way communication, and by the exchange of diverse ideas without fear of retribution. It means a culture where leaders listen as well as talk, where people are recognized for achievements, and where diverse people seem committed to something larger than self-interests. This is the kind of culture in which we all want to live and work. A study by the Families and Work Institute (1993) some years ago found that an open communication environment was the single most important quality that prospective employees sought in a workplace environment.

This concept of a culture for communication is the framework for my topic today: employee communication, or what we also call internal or organizational communication. For me, *employee communication* includes three dimensions: First, the formal communications in organizations which are often orchestrated by communication professionals (the planned speeches, Intranets, newsletters, and internal blogs, for example); second, the communications which occur within, among and across work groups and teams; and third, and perhaps most importantly, the non-verbal communications and behaviors of the individuals who send the messages.

Most leaders claim employees are their most important asset and extol the importance of employee communication. Such claims, however, have greater weight than the supporting evidence. As I wrote in a column in *PRWeek* recently, employee communication is the Rodney Dangerfield of PR. For many executives, employee communication ranks third in priority behind shareholder communication and customer communication. Our own journals include few employee communication studies. PRSA's daily *Issues & Trends* list is top heavy with social media developments and the latest crises. Even my own students have little interest in employee communication. They want jobs in digital media, media relations and special events—not employee communication. They know it's important, but they tell me it's just NOT sexy.

On the other hand, employee communication is at the center of crucial workplace issues today—quality programs, the retention of top talent, employee engagement, employee branding and change management programs, for example. I have to confess when I first encountered the term *change management* in something I was reading some years ago, I misunderstood it. I misunderstood it so that my first spontaneous reaction was: "Hallelujah, Praise the Lord! We are going to change management!"

This afternoon I will make a case for the power and importance of employee communication, and I want to begin with this observation: A Chinese proverb claims that, "The beginning of wisdom is to call things by their right name." Okay: The right name for employee communication in too many organizations today is FOLLY, utter FOLLY.

I use *folly* in the sense that historian Barbara Tuchman defined it 25 years ago in her book, "The March of Folly." She examined four major historical events, beginning with the Trojan Horse and concluding with the Vietnam War, and claimed all four events were utter follies and miserable failures. For something to qualify as a folly, Tuchman said it must meet four conditions:
- It must be clearly contrary to the self interest of the organization or group pursuing the action.
- It must be conducted over some period of time—not just a single burst of irrational behavior.
- It must be conducted by a number of individuals or groups.
- And it must have had people alive at the time who pointed out correctly why the act in question was folly.

Based on these four conditions, there is no greater folly in too many organizations today than the employee communication practices used ostensibly to engage employees, build trust, increase commitment and gain competitive advantage. It's folly because we've known for a long time what needs to be done to achieve successful employee communication. It's folly because many researchers have confirmed what needs to be done. It's folly because some organizations are living exemplars of what can be done successfully. And it's folly because too many organizations still don't get it. They still don't do it. They still continue to act against their own self interests by perpetuating failed communication programs that drive employee distrust and cynicism and reduce engagement and commitment.

This folly represents the great employee communication paradox: We know what needs to be done to create cultures for communication, but too many organizations just don't do it. They fail to move from KNOWING to DOING.

Over the last century the managerial view of employees and their communication needs has evolved, at least theoretically, from seeing employees as one-dimensional laborers who must be tightly controlled and directed. Organizations today realize that employees are their most important competitive advantage, and effective communication helps unleash their talents and energies. Once considered a "soft skill," employee communication is now seen as having "hard business impact" in customer service, product quality, innovation and other areas.

This perspective is supported by a rich body of knowledge. We know more today than we've ever known about employee communication:

- Hundreds of research studies, professional reports and benchmarking studies confirm the crucial links between internal communication and organizational performance.
- 50 years of survey data gathered by Watson Wyatt, Towers Perrin and other firms provide insights into correlates and drivers of employee attitudes, motivations, trust and engagement.
- Dozens of award-winning case studies describe successful communication practices.
- A rich array of professional workshops and webinars highlight best practices.
- A cadre of specialized consultants and professionals are available to help organizations succeed in employee communication. I've been privileged to work with and to know some of these experts. They include Sue Neumann at Praxair; Nick Miles at TIAA-CREF; Keith Burton at GolinHarris; Gary Grates of Edelman; Maril MacDonald of Gegan MacDonald; Lou Williams; and Roger D'Aprix, the Godfather of employee communications.

Now, they know so much, and we know so much, that it's virtually impossible today for communicators and organizational leaders to NOT know the key drivers of effective internal communication. Despite this vast knowledge and expertise, employee levels of engagement, commitment and trust are distressingly low and have been declining since the late 1990s (Rogers & Riddle, 2010). Here are a few sad facts:

- 63% of employees believe management lies (Council of Communication Management Study, 1995).
- 56% of employees are not proud of their company leaders (Harvard Study, 2006).
- 24% of employees would fire their boss if they could (Gallup Study, 2007).
- Only 29% of employees are actively engaged in their work (Gallop Study, 2007).
- Only 10% of employees believe their senior leaders treat employees as vital assets, and only 38% feel senior managers communicate openly and honestly with them (Towers Perrin Global Workforce Study, 2007-2008).
- 21% of high potential employees are disengaged from their work, and 25% plan to leave their company (Corporate Executive Board Study, 2010).
- 25% of employees have less trust in management in 2011 v. 2010, and only 14% believe their leaders are ethical and honest (Maritz Research in Employee Engagement, 2011).

It's so bad, claim Branham & Hirschfield (2008) in their book, *Re-Engage,* that: "Many people today go to work at jobs they dislike, supervised by people who don't care about them, and directed by senior leaders who are clueless about where to take the company?"

That's a harsh indictment of the workplace and organizational leadership today, and we might counter it by arguing that these dismal data are due to the current economic meltdown that wiped out five million jobs in just one seven-month period (Nov 2008-June 2009); produced millions of long-term unemployed; and shuttered a number of retail empires. Since 2008 some 72% of employers have restructured or laid off employees (Towers Watson, 2011), and many of those who kept their jobs were rewarded with crushing increases in workload, new responsibilities, and stress.

We also might argue that our current situation has deep roots in the massive export and outsourcing of jobs in recent decades and in the new employee "tough-love-at-best" contract. We might add the shocks to employee trust delivered in the past decade by the televised parade of CEOs and senior executives found guilty of accounting fraud and other crimes of passion, ego and greed. It wasn't a small-scale issue: nearly 700 companies were forced to restate their earnings in one three-year period (1997-2000).

As D'Aprix suggests, these and other striking changes "destroy and damage connections between employees and organizations, between organizations and customers, and between each of us in our work groups" (*The Credible Company*, 2009). I'm sure no one of us in this room is a cynic, but a cynic might suggest that companies and organizations are now reaping what they have sown for the past 30 years--a group of embittered, disengaged and distrustful employees. So the prevailing socio-economic-political context helps explain some of the low data yields on trust and engagement. But there's more to the story.

Research into effective employee communication over the last 25 years by Gallup, Watson Wyatt, Towers Perrin, the IABC Research Foundation, Maritz Research and many other researchers, has quite consistently highlighted 15 or so factors or drivers of effective employee communication. Many of these drivers point not so much to our formal communication in organizations, but rather to the communication skills and behaviors of senior leaders and immediate supervisors, and to satisfaction of some intrinsic employee motivations.

Jim Shaffer (2004) found that employees' perceptions of their organizations are influenced only a little bit (about 15%) by our formal communication—the Intranets, brochures, newsletters and canned videos. These perceptions are influenced more by work and team communications (30%), and they are most heavily influenced by what leaders say and especially what they do (55%). I'm simplifying a bit, but our core knowledge about employee communication is this:

Research underscores that internal communication is more likely to be successful when:
- **Senior leaders** are visible, they walk the talk, they listen and respond to employee issues, they genuinely care about employee well being, and they deliver salient messages that explain what's happening, why it's happening, and what it means to employees.

Research underscores that internal communication is more likely to be successful when:
- **Front-line managers and supervisors** provide regular performance feedback, recognize employee contributions, listen and respond to employees, create development opportunities, provide some work autonomy and enable employees to act in ways that contribute to organizational goals.

Research underscores that internal communication is more likely to be successful when:
- **The communication system** provides timely information and 2-way communication channels; facilitates learning and sharing of information and best practices through multiple communication channels; and enriches understanding of the marketplace and how jobs align with organizational goals.

These factors help build trust and spur commitment and engagement by creating a *culture for communication.* Research also tells us that creating a culture for communication starts at the top, with the behaviors and mindset of the top team. It also requires supervisors and managers who are capable communicators and held accountable for communication. One recent study found that "The strongest force shaping employee mobilization is personal connection, which is defined as the degree to which employees understand company goals and believe they can impact them. The most powerful driver of employees making personal connections is manager-led dialogue. Even with the influence of on-demand content today through social media and other online sources, employees still look to their manager or supervisor as the most important source of information."

Senior leaders and internal communication professionals have long known these drivers, yet the employee communication paradox persists. In their excellent book *The Knowing-Doing Gap* (2000), Pfeffer and Sutton claim that companies spend more than $100 billion annually on training programs and on consultants to help them learn how to build competitive advantage. Some of the training sticks, but most doesn't.

Malcolm Goldsmith, a Dartmouth business professor and personal coach to dozens of top executives, makes a similar point. He found that about one-third of executives who undergo extensive and expensive leadership training never, NEVER do anything differently when they return to the job (*What got you here won't get you there*, 2007). Clearly, knowing isn't enough; knowing isn't doing; knowing doesn't necessarily lead to doing. Why? There are a number of tough barriers to moving from knowing to doing, and I will speak briefly to four of them.

1. The Managerial Legacy. The core of management--controls and directives--hasn't changed much in the past century, despite great lip service given to empowerment and shared decision making. There's not much evidence of a flow of information up the hierarchy, or a movement of authority and decision-making down the hierarchy. As a result, too many managers and leaders still view communication as a process of message injection. So, they focus on the messages they send or have us send through formal communication channels—and then they largely ignore the messages that come back to them, which are the most crucial messages.

This produces a frustrating communication cycle: When leaders inject new messages, employees who receive them say, *What in the world are they up to now?* And the leaders who sent the messages respond, W*hy in the world don't they get it?* It goes back and forth and back and forth like an endless ping pong game.

2. The Tactics Tar Baby. Some leaders and practitioners get caught up in tactics and discrete communication activities at the expense of strategy. In a busy world we rush to act quickly and decisively, we focus on channels and messages, and we substitute memory for thinking. Some years ago, an executive at Whirlpool struggled with how to resolve a major trust issue in his business division. The single-digit survey data were grim: few employees trusted him or other leaders. What was his solution? He produced a new monthly newsletter entitled, "TRUST." He produced a newsletter called TRUST in which he told employees repeatedly that they could and should trust him! Happily, the TRUST newsletter expired after two issues, but this example underscores the sometimes blinding effects of tactics. As military strategist Sun Tsu said,

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the NOISE before defeat." There's a lot of noise today.

3. Talk-Action Syndrome. Organizations sometimes or often confuse a lot of talk, numerous meetings, mountains of paperwork, and a torrent of one-way communication efforts for real action. This summer I did some work for a company near Atlanta. It was dealing with a common problem—how to improve and integrate employee communication during a time of global expansion. Executives decided that the best way to accomplish this was to mandate an open communication system in all operations.

So they led many meetings for their management team, produced colorful brochures, required their managers to attend development meetings and watch video programs, and much more. But one year after the flurry of education and activity, very little had changed. Why? They had communicated their messages through a variety of channels, again and again, but they had not acted any differently. Their behaviors were consistent with past practices. They changed nothing else in the culture. They failed to move from knowing to doing quite simply because their walk did not match all of the talk. They mandated an open system while their very own actions continued to valorize the closed and controlled communication system of the past.

4. Behavioral Constipation. Changing behaviors is difficult for everyone, but more so for senior leaders who are used to winning and who have succeeded in organizations based on their current behaviors. As Surowiecki writes in *The Wisdom of Crowds* (2004), however, executives are just like the rest of us: they are normally distributed. And they routinely overestimate their ability, their level of knowledge and the likelihood they are right. So in addition to being wrong at times, and they will be wrong at times, they often don't even have any idea how wrong they are.

We know that everyone in the organization watches the behaviors of leaders to figure out what is expected and what is rewarded. These behaviors set the pattern, and they are driven by the mindsets of the leaders. Goldsmith, the Dartmouth professor I mentioned, claims that leaders could dramatically improve their credibility if they eliminated just one bad habit—like being a poor listener, or always needing to have the last word, or overusing words like *No* and *But*. It seems as if some leaders have not yet figured out what you all know: that leadership is not about what you get—the responsibilities, title, perks and power—but rather leadership is about what you give—attention, presence, vision, support, inspiration, opportunity.

These and other barriers limit any organization's ability to change, act and communicate effectively. Change, engagement and trust flow from the top down, which means that leaders are at the center of effective internal communication—what they do, what they say and especially how well they listen to messages coming back.

I have believed for many years that the most valuable contribution we can make in our profession lies inside our organizations—in helping them move from knowing to doing, and helping to build cultures for communication. Public trust in organizations starts with employee trust inside organizations. Engagement is nurtured or not, inside organizations. Our reputation with customers has its roots inside organizations. Yet, as D'Aprix (2009) suggests, "We seem far more intrigued with the possibilities of information highways and electronic meeting places out

there than with humans and human information and communication needs inside our organizations." Steffan Postaer, a gifted and creative advertising executive, put it another way: "The world is increasingly digital, but people are still analog." They still need and are moved by the human touch.

To move from knowing to doing, and to create cultures for communication, professional communicators must take four steps: 1) Know what to do (and we already know); 2) convince ourselves and others to act (the most difficult step); 3) develop and carry out action plans (we are good at this), and 4) sustain the effort over time (very difficult to do given ongoing leadership changes in organizations).

Unfortunately, our mountains of research and data tell us little about that critical step #2—how to convince leaders to create cultures for communication if they aren't already inclined to do so. Few studies even explore this issue. It's nearly always offstage, out of sight. Even in best practice studies the focus is on processes, programs and tactics; they reveal little about how to convince leaders of the need for these tactics and strategies.

For me, this is the crucial gap in our research in employee communication today: how are public relations and communication specialists able to convince otherwise reluctant or ineffective leaders and managers to change mindsets, change behaviors, and embrace employee communication? We need studies that open up this crucial issue. We need to know how it might be done and how it was done. We need some best practices about how to sell best practices to skeptical organizational leaders. In the absence of compelling research, here are five possible approaches to moving from knowing to doing:

1. Focus on your organization's culture and leadership demographics. What are your leaders' existing mental models for communication? What types of appeals will work best with them? Ground everything in research, use coalitions, and tie strongly to organizational language.

Some years ago at **Whirlpool**, we undertook a major process to change outdated mental models for employee communication and gain approval for an ambitious global strategic plan. The work ran 18 months, was based on extensive research, involved a diverse set of cross-functional and cross-cultural teams, and created a business case for change that was grounded in the demographics of our leadership—mostly engineers and marketers. The plan centered on the idea of using excellent communication practices, and then new technologies, to reduce the cycle time required for change, which is closely linked to productivity. This is something that engineers understand, and so do marketers. The key idea in this approach for professional communicator is to develop two strategic plans simultaneously: one plan is the actual strategic plan you want to implement; the second, parallel plan is the strategy you develop and use to convince the decision makers to approve your actual strategic plan.

2. Link the workplace to the marketplace. Open, candid and focused communication helps employees understand what the market is saying, why it is saying it, and what employees and leaders can do together to deal with it. Employees are critical agents who must be armed with information and enabled to act.

In my opinion, **FedEx** has long been a fine model for employee communication. Their executives are visible, they conduct a great deal of communications training at multiple levels, they have metrics in place to measure engagement and other issues, they listen to customers and employees, and they link employees to customers through a thorough understanding of the marketplace.

Southwest Air also uses this approach very successfully, down to the types of personalities they hire and the autonomy they provide to employees to act in the interests of their customers. They rigorously follow a simple set of business practices and focus on three basic measures: on-time departures, lost luggage and customer satisfaction measures. The line of sight for employees is strikingly clear. Other airlines are well aware of what Southwest does—they just can't replicate it very well because their own cultures and communication practices are and have been different.

3. Related to workplace and marketplace, link appeals and activities to quality programs or disciplines like Six Sigma or LEAN. Such approaches may awaken managers and leaders to the power of a communication culture because sustained quality programs force people to think differently over months and months. In doing so, long-entrenched habits and mental models may break or change.

GE's well-known "Work-Out" program reflects this approach. Created in the late 1980's, Work-Out is a process that involves large numbers of employees simultaneously in process improvement. In small group and large town-hall meetings, employees met to discuss real business problems and how to solve them. This approach created the basis for a sustained dialogue and focus that translated ideas into action and moved them from knowing to doing. By the late 1990s, Work-Out became the basis for GE's push into the Six Sigma quality program, which has served as the foundation for GE's more recent work on digitization and e-business.

4. Base appeals on company values and bring them to life through executive action and behaviors. Make the culture transparency argument.

Pfeffer and Sutton (2000) took a close look at **Men's Wearhouse**, the tailored clothing retailer. One of the company's key values is to develop employees and their skills to make them more successful as individuals. George Zimmer, chairman and founder, claims they are really in the people business in retail, not the suit business. It's a low wage business with relatively high turnover. So Zimmer believes in giving employees a second or even a third chance the first time they are caught shoplifting clothes from their own store. This inspires gratitude and loyalty among employees, reduces the high costs of turnover, and powerfully communicates the value of employee development.

Recreation Equipment, Inc. (REI), another retailer, also espouses the importance of employee development and support for diversity. The company brought those values to life by providing management development training to many employees and providing healthcare benefits to part-time employees. The company also was one of the first to provide life-partner benefits to employees, along with financial assistance for adopting infants or children.

5. Appeal to employees' intrinsic motivations. Create events, activities or approaches that

capitalize on these motivations in order to drive change and solve real business problems. Daniel Pink has written at length about intrinsic motivations in his insightful book*, Drive* (2009). Here are a few examples:

IBM has carried out its virtual innovation jams for a decade. Hosted initially by the CEO, who invited all 335,000 employees to participate, the online jams are electronic brainstorming sessions to develop ideas to move the company ahead. The first jam lasted three days and generated more than 37,000 comments and ideas from 53,000 employees. The employees then helped prioritize the ideas, and IBM committed $100 million to developing some of the ideas.

Using a similar approach, **Best Buy** received more than 900 cost-cutting ideas after launching its Blue Shirt Nation social networking site for employees.

British Telecomm attracted more than 16,000 employees worldwide to collaborate on its Wiki to help solve real problems the company was facing.

These three examples are instructive. Each involved an invitation to employees to help their organization solve real business problems. Employees were empowered to talk and share their ideas. Their ideas were listened to and recorded—they counted. Then some of the ideas were selected for implementation, and the companies acted on those ideas. Employees engaged, made a difference, were recognized—and the company benefitted! The cases also illustrate some powerful ways in which social media can help employees connect and communicate.

Autonomy is another intrinsic motivation, according to Pink. Autonomy refers to acting with some choice, being able to experiment with work and with ideas.

3M has followed the idea of hiring good people and providing them some autonomy for more than half a century. Since the 1940s, technical employees at 3M have been allowed to spend 15% of their work time on projects of their own choosing. Many of the inventions the company relies on have come from these periods of autonomy, including one of their most famous products that we both love and hate—Post It Notes. More than 600 Post-It Products followed.

Though highly successful, very few other companies have seized upon the 3M model. One company that did, however, has become rather successful: **Google**. Engineers at Google are allowed to spend one day each week working on a side project of their own choosing. Apparently, more than half of the company's products and new offerings have come from autonomy time, and I'm sure you've heard of them: Google News, Gmail, Google Talk and so forth.

At this point, some of you may be thinking—what in the world do these things have to do with employee communication? The answer is—everything. Everything. Think back to the 15 or so factors or drivers of communication success I mentioned earlier. The cases I just shared highlight some of those factors—the power of listening, providing opportunities for employees to share ideas and ask questions, the opportunity to make a difference, and especially the power of actions versus words. Employee communication is the formal communication in our organizations. Even more it is communications that cross and connect work teams and groups.

And most of all, it is the words, the listening skills and the behaviors of leaders and front-line managers.

Ladies and gentlemen, excellent public relations with groups and publics outside the organization begin with excellent communication inside the organization. I believe we professionals and academics have obligations to stop the employee communication folly, or at least reduce it. We have obligations to help organizations move from knowing to doing. We have obligations to push back on people, practices and structures that impede cultures for communication. And we have obligations, and the corresponding power through our own behaviors and practices, to model the way in our work units and interactions with others.

We can be exemplary listeners, we can engage, we can inspire, we can be accessible and visible, and we can recognize and thank others for their contributions. Who knows, our own behaviors might just be the tipping point for breaking the employee communication paradox in our organizations.

I will stop here. I am happy to try to answer your questions. Even more, I would love to hear some of you describe how you have helped your organizations move from knowing to doing.

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