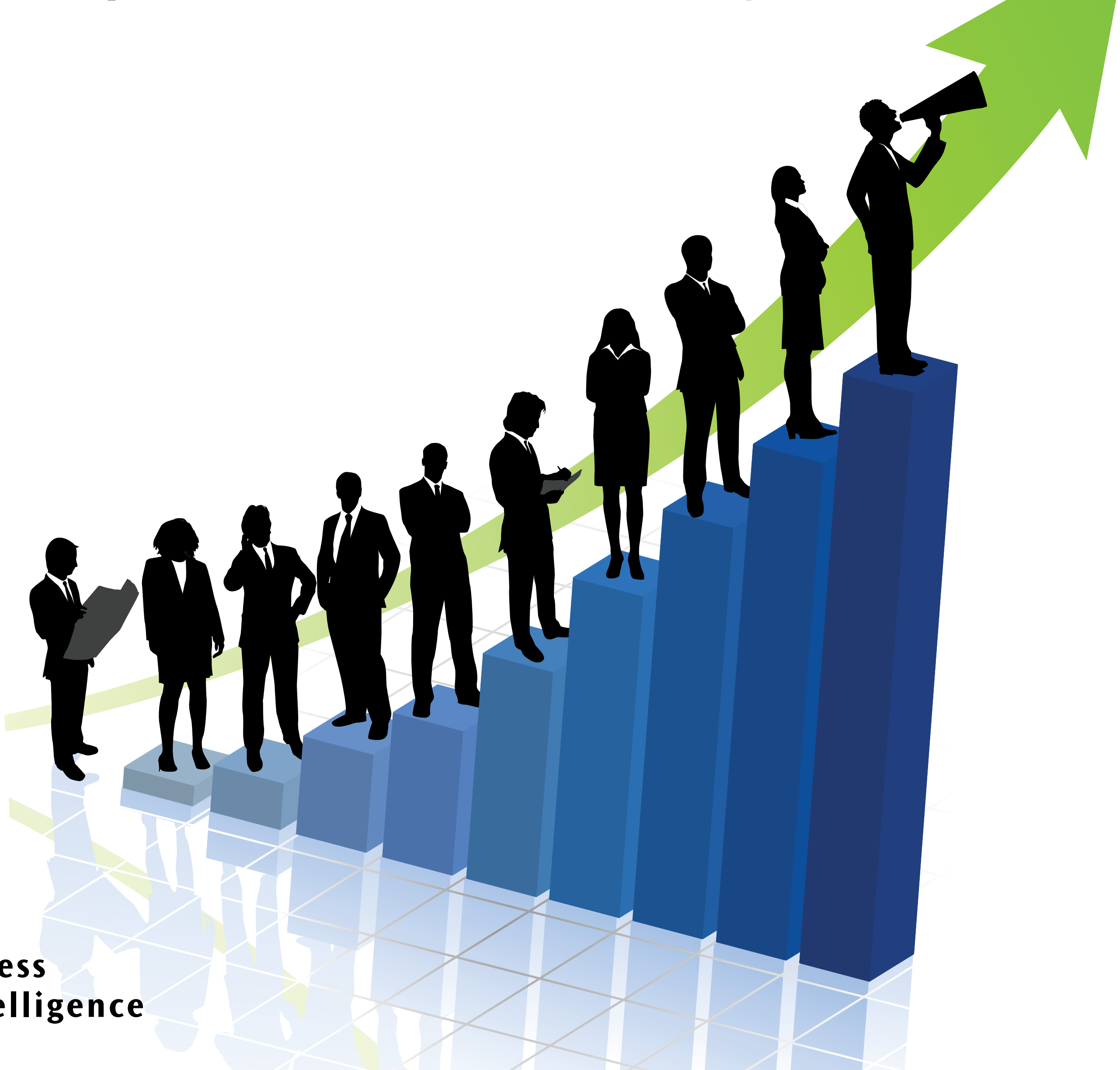
PR News

Employee Communications Guidebook

The blueprint for internal PR strategies and tactics



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Employee Communications Guidebook

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Editor's Letter

Dear Reader,

The recent organizational shifts that many companies have experienced as a result of the economy have catapulted employee communications into the forefront of PR. Yet there are other pressing reasons why employee communications should be at the top of every PR professional's checklist.

For instance, how do you increase and leverage employee engagement via transparency? How do you empower and motivate employees to drive change and become brand ambassadors? There are no stock answers to these fraught questions—each company's infrastructure is different. But there are tactical, strategic methods that you, as a communications professional, can implement to practice effective internal communications that will win the confidence of your employees as well as your C-suite executives and stakeholders.

In *PR News*' inaugural *Employee Communications Guidebook 2009 Edition*, we offer a full panoply of information that can improve your skills for many scenarios. Whether it's recruiting and retaining talent or greening the workplace, this Guidebook will hone your understanding on how you can craft and ensure effective messaging to employees; it will also give you the resources you need to streamline all channels of internal communications.

Putting employee communications on the backburner during this challenging period is not only foolhardy but a serious misstep that can have damaging repercussions from which your company, agency or association may never fully recover. Reading this Guidebook is your first step toward steering it on the right path. Please let me know what you think, off the record.

Best Wishes,

Iris Dorbian
Group Editor
PR News

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Chapter 1
Overview

Why Every Organization Should Embrace the Employee-Driven Workplace

By Christine Barney

Every day more and more experts call for marketers to relinquish control of their brands and engage customers in dialogue. Companies are entering the blogosphere, building Facebook pages and Twittering with record speed. And while these organizations are bravely entering the new world, most fail to adopt this practice at home in their internal communications. The result is that we talk at employees rather than with them.

In the "employee-driven workplace," people are given the freedom to create their own work environments. As a result, clients will stay, more will come and everyone will make money. The rewards of this approach include dramatically low turnover rates and training costs, along with exceptionally high client longevity and more profits.

Homing In on the Particulars

What characterizes an employee-driven workplace? You may have a fabulous perks package and invest in employee tools and resources and still not be an employee-driven workplace. Often executives bemoan a lack of appreciation shown by employees for all the great benefits they are given. But if someone gives you top-notch pair of skis for a gift, and you don't ski, would you be ungrateful if you return them? No. Unfortunately, many organizations "gift" employees in a one-size-fits-all mentality, often with little input on what employees really want and need.

Many organizations have a culture that reads well on paper, but doesn't live well in reality.

An employee-driven workplace is rooted in the organization's corporate culture. Many organizations have a culture that reads well on paper, but doesn't live well in reality. A value statement may promote the importance of teamwork, but when you look at how things are really done, you might see that individuals, rather than teams, reap the most rewards.

So, how do you know if you have the ingredients for an employee-driven workplace? Consider the following questions:

- Do you track employee engagement, satisfaction and understanding and then act on the findings?
- How do you share your information and make decisions? Are your communications interactive or primarily top-down?
- Are your HR policies built on a philosophy of restricting, controlling and stopping behavior or investing in ways to promote good behaviors that drive business objectives?
- Does your physical environment support positive employee interaction?

There are two common roadblocks to creating an employee-driven workplace:

- **Lack of trust**: Flexibility and respect are the foundation of an employee-driven workplace. If you treat employees like thieves and liars, the result is a nonproductive atmosphere of fear and distrust. rbb Public Relations allows every employee, down to the bookkeeper, to choose the location and hours of work. This situation often begs the question of how to know that employees are really working. The answer is twofold. First, every good communication department must have time/productivity tracking. Second, the results speak for themselves. If the work isn't getting done or is done poorly, it will be discovered. No one can cheat the system for very long. In an employee-driven workplace, often other employees are the first to call out the slacker who lets down the team.

- **Desire for control**: Employees can better contribute to profitability when they understand and can control the areas they touch and see how profits are invested. Many workplace decisions are made backwards, driven by financial considerations first. Just as no product is launched without user input, employees are best suited to make many work environment decisions.

rbb employees drive the selection of all work environment needs, from vendors to software to the physical layout and types of professional development training. The scrutiny they provide as daily users yields a better value equation every year. They have support from our purchasing/financial department who provide open books to ensure decisions incorporate monetary as well as work goals.

Change Requires Patience

When presented with the employee-driven workplace concept, numerous objections to adoption arise based on size, structure, cost, etc. The transition to an employee-driven workplace requires time, patience and, yes, money. It must be built in concert with corporate values and culture. Companies both small and large have done it. Their stories should inspire us to find ways to say yes rather than no. The employee–driven workplace cannot be dictated or memoed into being. While its growth is organic, it needs structure. Intranets with message boards, discussion groups and surveys are only some of the tools used to obtain and most importantly show action on employee input.

At rbb, we've built our structure with five employee groups: rbb Works for operational issues, rbb Think Tank for professional development, rbb Flex for work/life balance, rbb Extras Division for social networking and rbb News for firm marketing. Every employee participates in a group and has dedicated hours and budget allocated to managing that group function. Measurable results include:

- National accolades: rbb made the top 30 list nationwide of *Wall Street Journal* Top Small Workplaces for the last two years.
- Retention and recruitment benefits: average staff and client tenure is 8.5 years.
- The numbers: Productivity, profit margins and employee satisfaction have all continuously improved.

A final word on why you should consider adopting the employee-driven workplace philosophy. Consider what really defines your organization's brand. It is defined most strongly not by what you say but what your employees say and do. Without the support of employees, your brand will fail to deliver. With their support, not only will you deliver on your brand promise, but also you will achieve strong financial success. PRN

Christine Barney is CEO/managing partner of rbb Public Relations, a full-service firm with offices in New York and Miami.

Chapter 2

Motivation & Morale

Tying Employee Motivation to Organizational Goals and Success

By PR News Editors

It's apparently fun to work at Google: There are 11 free gourmet cafeterias; motorized scooters are available for traversing the vast Google campus; and onsite haircuts are free. But for companies that don't hemorrhage money, how can executives keep employee morale high and turnover low? The answer lies in the communications department.

Communications executives' integration into every organizational function gives them the ability to play an increasingly large role in all business activities: developing and promoting the most desirable brand and image to attract top candidates; hiring the best people in conjunction with human resources; and managing top talent through leadership roles. However, it all starts—and ends—with an effective internal communications strategy, which will foster a sense of community and participation and, in the end, drive positive organizational growth. (Case in point: a Watson Wyatt survey, which analyzed links between communications effectiveness and business performance, found that companies with the most effective employee communications experienced a far greater shareholder return than companies that communicated less effectively.)

PR/communications executives can implement an effective internal communications strategy and, in turn, score the PR equivalent of a triple-double: increased employee morale, decreased turnover and better bottom-line business results. The Watson Wyatt research study had some tips on best practices to follow.

#1 To build a foundation for strong communications, follow a formal process. The study reveals that the most effective companies have communications programs that are developed proactively; coordinate internal and external communications; have a documented communication strategy; follow a systematic orientation program for new hires; conduct opinion surveys that verify employees' understanding of key internal messages; and foster a culture that supports the sharing of knowledge across the organization. Given the findings, communications executives must:

- Appeal to employees through internal branding efforts that echo external branding, as this aligns messaging, encourages employees to be evangelists of the brand and gives employees a personal stake in the company's public image.
- Facilitate communication between all groups within the company through focus groups, small meetings, webinars, meet-and-greets, luncheons, happy hours, message boards, etc.
- Emphasize to senior management the importance of appealing to each employee. Being "one of the little guys" or a new hire shouldn't be the same as feeling like your voice doesn't matter or can't be heard. These people are the most important ones for senior management to reach, as they can be the company's future leaders—or they can leave as a result of discontent and cost the organization valuable resources (i.e., the time and money that goes into training).

#2 Use employee feedback. Now that you've had meetings, conducted surveys and facilitated communication with senior management, put the information to good use. Note that, as the Watson Wyatt study suggests, all employee surveys should include "action planning and improvement programs" and feedback processes. Some potential employee-feedback vehicles:

- A voicemail system where employees can call in and (anonymously, if they choose) respond to an announcement or initiative;

- A message board on the company's intranet; and,

- Roundtables where ideas and opinions can be exchanged.

Then, most important, make sure you incorporate employee feedback into future endeavors and that all solicited feedback is relevant to key business objectives. If a concern is voiced that is valid but, at that time, unsolvable, have the appropriate senior executive issue a release or announcement acknowledging the concern and explain why it can't be changed now and/or what is being done about it.

#3 Integrate total rewards. Money speaks volumes, both for the organization and for the individuals who work within it. Communications executives must use pay/compensation/bonuses as a means of developing a strong brand and improving business performance. Pay-for-performance models, such as the one observed by General Electric CEO Jeff Immelt, can't be implemented in every company, but small financial rewards can do wonders.

The study also revealed that, at the most effective companies, employees understand the importance of participating in benefit programs and the value of their total compensation packages. This is where communications executives need to have a close working relationship with those in human resources.

#4 Leverage technology. Technological advances have provided communications managers with limitless channels for facilitating internal communications and, in turn, encouraging collaboration and the sharing of resources. Blogs can promote casual dialogue; podcasts can give senior executives a means for speaking to employees; and intranets can serve as a resource for navigating a company's policies, initiatives, mission and goals.

Technology also can be used to increase employee engagement and satisfaction in unexpected ways. For example, a May 2006 *Wall Street Journal* article highlighted how some companies handle the widespread feeling of being overworked. Among the examples:

- IBM uses a Web-based tool for managers to survey employees and identify “low-value” work. The results lead to consolidations and, of course, saves money.

- Boston Consulting Group logs total hours in a weekly “Red Zone Report,” which identifies the employees who are working “too much,” and gives executives an opportunity to address it.

#5 Create an employee “Line of Sight.” The study defines this as communicating openly to employees about matters that affect them; sharing financial information with employees; sharing business plans and/or goals with employees; and having leaders who consistently communicate company information to employees. Communications executives' role in these efforts is clear: With the ear of the C-suite, communications executives can facilitate the flow of information among all parties in the organization.

The study goes on to name more ways in which communications activities can motivate employees to achieve the goals of the organization, but they all boil down to one theme: Just as PR and communications executives once longed for a “seat at the table,” now every employee wants (and feels entitled) to pull up a proverbial chair. The business environment necessitates it, as it is in every company's best interest to have their employees act as ambassadors for their brands. Study after study shows the strong impact of employee morale on performance, and employees are, after all, a key constituent. PRN

Chapter 3

Management Challenges

Model Behavior: Restructuring Orgs to Assess Risk and Manage Change

By PR News Editors

Risks abound in today's global business climate. Shattered investor confidence, slashed consumer spending and spiraling employee morale have all forced executives to take pause and reassess their organizations' business models and recipes for success. With this reassessment have come necessary changes, from widespread layoffs to drastically downsized budget allocations. The only problem? As these changes are implemented, oftentimes the big picture—that is, the business model and organizational structure—remains untouched, leaving it with gaping holes and broken connections.

Just because businesses across the board are struggling doesn't mean every company needs to restructure its operation.

Securing Stakeholder Buy-In

Of course, a business model and organizational structure that resemble Swiss cheese don't reassure any stakeholder group that things will continue to run smoothly amid this economic roller-coaster ride. Thus, management teams are revising plans and restructuring departments to account for the extraordinary circumstances. For communications executives, that means all hands on deck to ensure that strategic alignment happens without any sacrifices to the brand, reputation or bottom line.

"Communications is the difference between a restructuring that is painful yet successful, and one that simply fails," says Reid Walker, vice president of Global Communications and Sponsorships at Lenovo. "Employees, shareholders, customers, suppliers and local communities all need to understand what [the company] is doing and why. They also need to understand how it plans to remain viable for the long run. It's really up to the communications professionals to be at the table insisting on that degree of transparency, and to ensure that the messages being delivered to every audience are consistent and complete."

Walker's vision of the role communicators should play in restructurings comes from experience in the trenches; his team is currently finalizing a reorganization that, while necessary, was anything but easy.

"We've made a careful examination of our operations globally and done a number of things to streamline our company, and to realign some functions and geographic areas," he says. "That has required us to make some tough decisions, in the words of our CEO Bill Amelio, that have resulted in cutting our workforce by 11%, including a number of senior executives."

Based on his experience acquired during Lenovo's reorganization, Walker helps identify the following best practices all communications executives should consider when undertaking restructurings, no matter how big or small their organizations might be.

► **If it ain't broke, don't fix it.** Just because businesses across the board are struggling doesn't mean every company needs to restructure its operation. Before initiating any changes to the business model or organizational structure, make sure there is a definitive reason to actually do so.

"Organizations should not rush to change sound strategies or make decisions that focus only on the short-term situation," Walker says. "They should take the time to examine carefully how they can become more efficient today while still being in a strong position to compete tomorrow when the economic crisis is over. The last thing you want to do is sacrifice the future."

► **Conduct an internal audit.** If you thought audits were just for accountants, think again. Auditing is an essential process that will help gauge the need for a reorganization.

"It's important that a company undertake this examination across its entire business and its entire global footprint in order to identify efficiencies that might not be found if you look at the business in either functional or geographic silos," Walker says.

Also critical during this stage is identifying the core business attributes that define the brand, as restructurings should never, ever involve changing an organization's identity. "It's important to remember the brand attributes that built your company and ensure they aren't sacrificed," Walker says. "For Lenovo, innovation is a hallmark, and we'll continue to invest in it despite the difficulties posed by the global economy right now. The same is true for quality. And we are sticking with our core strategy to focus on growth markets throughout the world, and to grow faster than the industry as a whole in those markets."

► **Proceed with caution—and confidence.** If an audit determines that a restructuring is indeed required for the business to remain viable, then make the necessary moves with resolve. Expect resistance from all stakeholders, especially if changes involve staff reductions. Most important, be consistent with messaging, and always be sure you talk the talk and walk the walk. For example, Lenovo did cut its staff by 11%, but, "The remaining executives are taking significant reductions in their compensation," Walker says. "[You must] ensure that any pain is shared fairly by the top of the company as well as the bottom. That will be a vital factor in remaining strong for a recovery."

► **Honesty is the best policy.** Be transparent in communications with all stakeholders, both internal and external. If messaging is inconsistent, it will come back to bite you. The only way to emerge from a reorganization relatively unscathed is to have stakeholders on your side throughout the process. If your communications

Necessary Evil: How To Conduct An Internal Audit

According to Paul Argenti, professor of corporate communication at the Tuck School of Business, "The point of a communications audit is to figure out what everyone is doing, and if they are working in the most productive, integrated fashion possible." Acquiring this knowledge is critical to executing a reorganization or restructuring of any kind. To conduct an audit, follow these steps:

- Assess the current organizational structure by mapping out reporting relationships, both among individual executives and entire departments.

- Interview managers in each department to get a thorough understanding of roles and responsibilities. Use this insight to analyze structural and functional effectiveness.

- If time and resources permit, compare your organizational structure with those of industry peers, but always consider their approaches in the context of their own successes/failures.

- Look for redundancies. "Audits do have a financial implication," Argenti says. "You may be doing the same thing three different ways when you could just do it once and do it right."

- Based on the any redundancies or inefficiencies that you identify, plan out the new, best-case scenario structure that you want to achieve. Then, make sure it would effectively solve any problems/close any gaps before setting the reorganization into motion.

strategy involves smoke and mirrors, you might as well jump overboard now, because that ship is going to sink.

► **Remember why there is such a thing as a communications department.** The PR and communications disciplines developed out of the need to protect an organization's most important asset: its reputation. Always use that as your guiding light.

"Your calling card should be the responsibility you have for maintaining the company's reputation and brand image," Walker says. "There will be a lot of other players advocating for decisions to be made in certain ways, but they may not be considering—or even have the skills to understand—how those decisions will affect the company's reputation. It's your job to keep executives apprised from the beginning of not just how to communicate their decisions, but how to consider the communications implications before those decisions are made." PRN

Boosting Employee Productivity During a Downturn

As signs of an economic turnaround remain elusive, business leaders are becoming more focused on increasing employee productivity. The goal of the research recently conducted by The Conference Board was to identify effective ways to address the organizational and managerial challenges of managing distance employees. Among the findings:

- 60% agreed that managing same-site employees is easier than managing distance employees.
- 80% believed that the extra costs of enabling employees to work at a distance do pay off.
- Five common practices emerged among effective distance teams: in-person meetings; clear agreements on accessibility; good use of group software; adequate company support; and clearly defined roles for members.
- The study states that distance managers must be superb at three competencies—cultivating relationships, focusing on outcomes and developing employees.
- 53% of managers surveyed reported spending more than an hour a week developing relationships with distance employees, whereas only 18% of employees believed that their managers spent that much time with them.
- 90% of managers and 70% of employees said "the phone" and "in person," respectively, were the most effective communication tools for building distance relationships.

Source: The Conference Board