

SHOULD I STAY OR SHOULD I GO?

Keith Burton, Insidedge, describes how effective employee communications fuels employee retention, and highlights evidence from a recent survey, which demonstrates the similarities between employee attitudes in the UK and the US.

Strategic employee communications has been an evolving – though at times frustrating and elusive – art among corporate communications, HR and other functions at countless organisations globally. Employees today increasingly distrust information received from corporate sources, and question the credibility of those sources. They feel little in terms of company loyalty. And, in many cases, they expect

to change jobs several times throughout their careers.

Indeed, employee retention – particularly related to high-performing individuals – is an increasing challenge to corporations around the globe. Turnover takes a toll on the morale of existing staff, on business continuity and productivity. Ultimately, the loss of talent hits a company's bottom line. In many cases, the financial impact is

severe, both in terms of increased recruiting fees and downtime associated with the on-boarding of new hires.

Yet, there is a strategy for countering attrition: the practice of effective employee communication. And we know it works, by the company it keeps among those best-in-class organisations in Europe, Asia and North America.

Building a link

The traditional Achilles' heel for employee communications practitioners has been their struggle to link effective internal communication with performance and retention. In an attempt to establish that link, Insidedge, a leading worldwide employee communications consultancy, conducted a survey late in 2005 of nearly 2300 white- and blue-collar employees in the UK and the US, about the importance of employee communications.

The results were startling. Between 75 and 80 per cent



of employees in Great Britain and the United States claim the way their company communicates with them has some influence on their decisions about whether they remain with their current employers or leave for greener pastures. More significantly, 30 per cent in Britain and 31 per cent in the US said communications has a big influence on their decision.

And nearly three-quarters of employees surveyed worldwide (68 per cent UK and 73 per cent US) said improving communications would influence their attitudes about staying or going.

In an era when employee turnover costs companies millions of dollars each year, it is important to know that candid, two-way communication between a company and its people can fuel employee retention.

Channels of trust

Now that we've made the correlation between communication, trust and retention, it is valuable to consider the best ways for communicating in a way that employees do trust.

COMMUNICATION, TRUST AND RETENTION

Digging a little deeper, our data builds the progression from good communication to trust, and then from trust to retention. Let's take a look.

- First, barely one in four employees define their employers' communication as 'excellent' (23 per cent in the UK and 26 per cent in the US).
- Second, an overwhelming majority of both UK (91 per cent) and US (89 per cent) employees claimed that their employers communication is important to building their trust.
- Third, among those who say they are most likely to leave their current jobs, only half (52 per cent, UK; 48 per cent, US) say they trust their employers.
- On the flipside, seven of every 10 employees most likely to stay in their current jobs (78 per cent, UK; 74 per cent, US) also say they trust their employers.

To paraphrase, our respondents told us that they have low trust in their employers, but that effective, candid communication can build their trust. Consequently, employees with a higher degree of trust are most likely to remain in the job.

We asked our participants to tell us which forms of communication they trust most from their employers. Our findings reinforce a commonly held belief: Employees trust face-to-face communication the most, and look to their immediate supervisors as the most credible sources of information. However, we confirmed that multi-channel communication – across several media and sources – reinforces the trust of employees.

heads and/or immediate supervisors (51 per cent); open-door policies, suggestion boxes and other ways employees can take initiative to communicate with management (43 per cent); and informal get-togethers where employees can talk and exchange ideas (35 per cent). These top-three preferences are mirrored by counterparts in the US, meaning the workforces in the two countries are largely similar in their desires and expectations for communications.

Feeling a void of information, employees turn to each other to interpret company decisions and misinformation becomes fact

The most trusted sources of information for UK employees are their immediate day-to-day supervisors, immediate co-workers and senior employees who can mentor and advise them, regardless of title. Each of these high-touch forms of communication has greater influence on behaviour and commitment than more common sources such as newsletters, email and intranets.

Watercooler opinion

Unfortunately, we see too many companies that rely substantially on these non-personal forms of communication, instead of equipping and expecting their managers to communicate. Feeling a void of information, employees turn to each other to interpret company decisions and actions, and misinformation based on opinion becomes ‘fact’ to employees. This is a dangerous precedent that further erodes trust.

In order to build trust with communications, it is incumbent upon today’s corporation to empower and enable managers and supervisors to serve as a primary source of information and communications.

The Insidedge survey indicated that the top-three most useful and effective ways to communicate with employees in the UK are small workgroup or departmental meetings, led by division

Candour and timeliness

Improving how you communicate is one part of the battle. Equally important is what and when you communicate. In other words, using myriad resources to share information (supervisors, newsletters, blogs, intranets) is half of the equation. Ensuring that the information you share is accurate, timely, truthful and complete – and that employees have the opportunity to participate in an open dialogue – is the other half. This was confirmed by our respondents.

We asked them to identify the three most important things their employers could do to change communication. In both the UK and the US, they agreed that the top three things employers should do would be to:

- Create a free and open environment where all feel comfortable expressing opinions, ideas and suggestions (41 per cent in the UK and 42 per cent in the US listed this as a top-three change they’d like to see)
- Be more open, honest and straightforward, even when communicating difficult or bad news (40 per cent UK, 36 per cent US)
- Share information and communicate in a timely manner so ‘I don’t feel like I’m the last to know’

What employees want to know

It’s interesting to note the degree to which British and American employees agree about employee communications. One distinction comes in the topics employees are most interested in hearing about from their employers.

In the UK, the top issues relate to overall job fulfilment and satisfaction, while in the US, issues relative to money and compensation reign supreme.

The top seven most important issues and topics employees want to discuss with their employers in the UK are:

Issue	% of respondents who ranked the issue among their top three most important
Training and education that can advance my career and make me a more productive contributor	57%
Career advancement, promotions, job satisfaction	54%
Flexible time, job-sharing, telecommuting and other ways to balance work and personal life	49%
Vacation, personal time and similar benefits	43%
Incentives, bonuses, stock options and other income beyond base pay	41%
Quality, quantity, style and substance of communication between my employer and me	38%
Work rules, working conditions, overtime and similar things that affect my day-to-day worklife	38%

By comparison, the top three issues American respondents said are most important include:

- Pay/compensation, especially compared to others in the organisation or industry
- Incentives, bonuses, stock options and other income beyond base pay
- Career advancement, promotions, job satisfaction, etc.

In our experience, in recent years, companies and their executives have started to understand the importance and

DEFINING YOUR EMPLOYEE TYPES

The Insidedge survey identified three types of employees working at companies around the globe: We call them 'leapers', 'lookers' and 'lifers'. Understanding your employee segments and increasing your roster of lifers strengthens your organisation and helps reduce costly expenses associated with poor employee retention and indoctrination of new hires.

Here are the proper definitions of each of these employee descriptors:

- **Leapers** – Employees who are very likely to leave their current employer in the next three years, resulting in increased recruiting and staffing costs, as well as significant downtime as new hires learn the new company, their jobs and other expectations.
- **Lookers** – Employees who have a mid-range probability of leaving their current employer in the next three years, resulting potentially in a lack of organisational commitment and a lack of productivity when looking for new jobs. Engaging this group of employees with effective strategic employee communications is critical to their retention.
- **Lifers** – Employees who are very likely to stay with their current employer during the next three years, thus increasing effectiveness, overall organisational performance and minimising additional recruiting and on-boarding costs that negatively affect your bottom line.

According to our survey, effective, candid and two-way communication is one way companies can convert lookers into lifers.

In the UK, 73 per cent of job lifers told us their employers communicate well with them. Only 57 per cent of lookers said their employers communicate well, while just 47 per cent of leapers were positive about their employers' communication with them.

The bottom line: effective communication builds job lifers.

value of effective communication. As we speak today with CEOs, HR directors and other key executives, they are more likely than in years past to ask how communications can drive employee commitment and performance.

Enhance communications

The key now is to turn talk into action. Certainly successful business models, solid products and great reputations and brands are key to any business's success. But without an engaged and tenured workforce, plans can fail, products may not reach their full potential and brands can suffer. Fortunately, motivated leaders can enhance their communications with employees and build the levels of trust and retention needed to win in the marketplace.

So, as you think about your plans for employee communications, keep a few things in mind.

- **Listen to your employees.** Regular research – whether through all-employee surveys, periodic and targeted focus groups or even event-specific feedback forms – provides an insight into what people care most about. By knowing what your employees believe is important, you are better equipped to address their concerns, and in turn, build their trust. Just as external research guides the decisions you make in marketing to customers and consumers, employee research should guide your plans for internal communication.
- **Build a manager-as-supervisor culture.** Study after study shows that managers and supervisors are vital communicators. Yet, so many companies fail to take advantage. It's not enough to give your supervisors information. You've also got to develop their skills as communicators, and then hold them accountable for communicating.

- **Put your people first.** How often has your company launched a new product, broadcast or published a new marketing campaign, or announced a new strategic direction without telling your employees first? Remember that your employees are the people who have to sell your products, represent your brand and execute your strategies. If you're not sharing this information with them before you go public, they are already one step behind in being able to deliver. Have a plan to share important information with your employees first, so that they are ready to respond when customers call. Don't let your people hear about new initiatives on the radio, TV or in the newspaper before they hear it from you!
- **Give it to them straight.** Most companies are more than eager to share good news with their people, and to celebrate in success. As our survey confirms, people also want to hear the bad news, no matter how difficult it might be to take. Sooner or later, the word is going to get out. Wouldn't you prefer that your employees hear it straight from you, than through the grapevine? Have a plan to share all of your news with your people. They will trust you more if you are willing to share not only the good, but also the bad and the ugly with them. ■

About the Author

For the past two decades, Keith Burton has pioneered employee communications strategies for leading global companies and organisations. He is president of Insidedge, a global group employee communications specialists working within the Interpublic Group of Companies (IPG). During his 30-year professional career, Burton has been a business journalist, a public relations strategist and an employee communications strategist. He has helped develop and implement employee communications strategies at dozens of great companies and organisations, including Schneider Electric, Tyson Foods, Boston Scientific, IBM and FedEx.

Further information:

Email: kburton@insidedge.net



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Do you have an Insidedge?

You can't engage employees to achieve corporate goals through osmosis. You need strategy, focus and a commitment to communicate and listen to feedback. That's where Insidedge can help. Our team of specialists wed the rigor of management consulting, the science of research and the art of marketing communication into a strategic package that fosters employee commitment and motivates performance.

In short, we help companies translate business plans and objectives into language employees can understand—and act upon. We have broad experience supporting client programs related to:

- Organizational change
- Internal branding initiatives
- Human resources and benefits
- Internal communications research
- Leadership communications
- Mission, vision and values development

Keith Burton, President, 312.729.4455, kburton@insidedge.net
David Duschene, Executive Vice President, 312.729.4232, dduschene@insidedge.net
Allen Putman, Senior Vice President, 212.373.6034, aputman@insidedge.net