

# Engaged employees. Business results.



## 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

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BEST PRACTICE



## KEEPING IN TOUCH



Only businesses and organisations that cope effectively with the communications needs of their employees will prosper and grow, says Keith Burton, president of Insidedge, part of worldwide public relations agency GolinHarris.

A woman was sacked by her Utah-based US employer recently for criticising the company and her manager in a weblog (blog). She and dozens like her are learning about the power, reach and influence of personal blogs and how corporate employers who take exception to their punditry, criticisms and attacks are adopting new policies and practices for electronic communications to control what they publish.

Meanwhile, the CEO of a leading software producer has himself adopted a blog to document his travels, convey the depth of his conversations with frontline employees, underscore truths and dispel urban myths that pervade his company.

A recent meeting in Chicago brought together professionals who described themselves as 'isolated' among employee populations because of the way corporations communicated with them. One individual complained: 'Employers communicate with us in ways that fail to recognise our cultural differences, our diversity, how we like to receive information and what actions and words help build greater levels of trust. We are not talking the same language.' Were these global employees talking about a US-centric model of employee communications? No. These were the voices of African American employees of iconic US corporations expressing their feelings of estrangement in their own workplaces.

HR leaders at one of the world's great airlines were mystified as to how union employees always had access to the details of change initiatives affecting them before the company communicated with them.

'It's simple,' one union shop steward said. 'Our grapevine is accurate 80 per cent of the time, and we have wireless devices the company gave us to keep up to speed on flight and gate information. We have adapted these devices to accelerate and broaden the reach of the grapevine – and to stay ahead of the company.' Beating the company has become a game. Welcome to the brave new world of employee communications.

Over the last 15 years, change has been the watchword in employee communications. Corporate re-engineering, cultural transformation efforts, waves of mergers and acquisitions, economic growth and decline, the introduction of new technologies, periods of recession and inactivity, layoffs and downsizing, labour relations campaigns, the globalisation of business: all these have dramatically influenced the world of employee communications.

Gone long ago are the days when employee communications practitioners were relegated to designing newsletters or video presentations. The work of communications practitioners is now centred on:

- Providing strategic support for overarching business plans

- Creating information and tools to help align employee populations with business objectives
- Translating complex structural and organisational models so that frontline employees can deliver expected behaviours
- Designing communications training programmes in concert with performance management initiatives to better engage employees

But that is the past. What will tomorrow bring? The future, like the past, will be characterised by a process of evolution, additional refinement and the continued advance of the discipline in terms of influencing the performance of multinational companies. To this end, GolinHarris expects the following key trends to influence the work of those who lead organisations:

### New technologies

New technologies will change employee communications as we know them. Is your company ready for the digital boom?

AOL tells us that it has more than 200 million registered users who send about two billion messages every day, and that the workplace is increasingly the realm of instant messaging users who employ the technology to work together in real time, regardless of geography or time zones. The further proliferation of new technologies and innovations – from email to wireless devices and from

podcasting to blogging – will dramatically alter the way we communicate internally. Today, communication is instant. Information comes so forcefully and in such volume that receiving these messages has been likened to ‘drinking from a fire hose’. The way we use new technologies to better filter information flow and to reach key groups – sales and marketing professionals in the field, telecommuting employees and even contract professionals working offshore – will have a big impact on corporations.

Doing this, however, will require rethinking our approach to content, customisation and the adoption of new tools and electronic gateways to moderate and fine-tune information flow.

#### The search for specialists

The age of specialisation in employee communications is growing. A one-size-fits-all employee communicator is becoming a rarity. Today’s companies are increasingly seeking multidisciplinary professionals who can effectively leverage a wealth of experience in employee communications and have specialised knowledge in areas such as performance management, compensation and benefits, organisational design, labour relations and integrated marketing. Add in experience in secondments abroad combined with tours of duty in other cultures and you have the ideal employee communicator.

One US food producer recently asked for help in identifying an employee communications specialist with packaged goods experience, clear knowledge of how to work with a highly unionised workforce, expertise with a recognised economic valuation model and an ability to create new tools for leadership communications. The search for this type of specialisation and sophistication will continue as corporations increasingly leverage communications internally to achieve strategic business goals.

#### Dealing with diversity

The globalisation of national economies is placing increasing pressure on the employee communications discipline to

finally solve its diversity challenges – both in terms of the professionals involved in these careers and in representing the true global nature of today’s multinational corporation.

Takeda Pharmaceuticals has adopted inclusion policies that welcome applicants from a multifaceted segment of the population. These new policies will also seed Takeda with employees who can better translate and communicate the company’s vision, culture, ideas and business plans.

To effectively engage its global employees, companies must ensure that their communications and communicators truly mirror the characteristics and the geographical locations of their people and deliver customised programmes for key internal audiences. As one GolinHarris client recently reminded the company: ‘Just because our company is headquartered in the USA, it doesn’t mean we want a US-centric employee communications programme.’

## Real-time communications will be increasingly pervasive

#### Internal marketing

In recent years, the internet has had a growing influence on employee populations. Message boards at Yahoo, AOL and other websites are creating communities of employees and observers who increasingly – and in an unregulated fashion – discuss and influence business performance, cultural practices, the flow of rumours on the corporate grapevine and both official and unofficial activities.

Although the future role of blogs and bloggers has yet to be determined as a key internal communications channel, bloggers are increasingly shaping national and international dialogue.

Beyond this, truly progressive companies will seek ways to better leverage

the ‘inside’ to influence the marketplace as corporations come to realise that employees truly are one of their greatest assets. Some refer to this as the new wave of internal marketing. Others refer to it as internal branding. GolinHarris call it the power of ‘one voice, one look’ that harmonises internal communications with the external face of a company.

#### Organised labour

Labour organisations will seek out new populations around the world to organise and will reach out to new employee segments to bolster membership. Labour unions have been losing power in the USA for some time, and labour union membership has been declining for many decades. Some analysts see these changes as temporary, part of shifting patterns of power in the workplace, while others see them as permanent, indicating a major change in the workplace.

Some predict that segments such as healthcare, professional services, software development and medical device manufacturers will become increasingly organised. Look for union growth as well in international markets, such as Mexico, Iraq, Cambodia and Australia, as multinational companies – Bechtel, Kellogg Brown & Root, Adidas, Gap, J C Penney and Boeing, among others – seek to offshore jobs or expand their global operations.

#### Progress in manufacturing

The struggle to reach manufacturing employees will ease. Frontline manufacturing employees have long been one of the more difficult audiences to reach and engage in corporate and internal communications. The job demands of production cycles, ‘third shift’ operations and other time- and labour-intensive activities often pushes communications to the backburner. While face-to-face communications remains the most effective, successful companies are increasingly finding ways to reach frontline workers through wall displays, performance dashboards and

through electronic channels such as interactive kiosks.

However, managers remain the key conduit. Studies show that more than 70 per cent of employees say that they place their trust in what their supervisors tell them. The success that can be generated by increasing this audience’s engagement and reducing staff turnover is a key to improving margins. Internal communicators must continue experimenting and piloting new programmes that effectively engage this critical audience.

#### Targeted communications

Audience-specific communications will become more prominent. The advent of intranet-based managers’ communities has heralded a new age for audience-specific communications that many companies will turn to in the hope of meeting increasingly specific needs. Managers, sales and marketing professionals and others need information and strategies customised for their work that are more direct and timely. Failure to provide these will block message cascading and create an impenetrable ‘concrete middle’ as the river of communication flows around, rather than through, intractable second-level executives.

#### New-style CEOs

The past five years have shown that the age of the celebrity CEO is over. What the rise of corporate governance, corporate scandals, a focus on business ethics, securities laws and the US Sarbanes-Oxley Act of 2002 could not kill altogether, time and a new generation of leaders are sweeping away. These new-style CEOs lead by consensus, focus on performance and listen more intently to managers and people on the front-line. They have humility. They may have learned business under CEOs such as Welch, Fiorina, Gerstner and Eisner, but they practice leadership in a new way.

#### Realignment

For years, global companies based in the USA acted as domestic companies with international operations. This will no longer be the case, as companies –

regardless of where they are domiciled – are forced to learn about and adapt to their local market needs, its differences and opportunities. Specifically, we are seeing European and Asian markets prove resistant to employee communications messages and programmes that are not sensitive to and respectful of cultural and operating differences.

## Audience-specific communications will become more prominent

#### Performance measurement

Metrics to evaluate employee communications effectiveness will increase. Measuring employee behaviours and actions against employee communications activities still trails other key metrics for finance, human resources, sales and marketing. GolinHarris is developing a model to demonstrate how specific employee communications practices can change performance in measurable ways that translate into quality, productivity and economic value. The company is now completing field research in the USA and the UK that will show the critical link between effective employee communications and productivity, and the retention of key personnel.

#### Real-time communications

Real-time communications will be increasingly pervasive. Grapevines are now electronic as well as traditional, and companies cannot suppress or control them, try though they do. They operate 24/7, and companies must adopt a real-time approach that changes daily. Crisis communications efforts are increasingly dependent on being vigilant in uncovering the rumours that spring to life among employees in distant markets and take wing on message boards that are scanned by critics and the media, who monitor electronic gateways day and night.

#### Home-grown talent

Many companies are increasingly realising that they cannot meet their growth objectives without fostering and developing leaders from within. For these companies, it is not only recruitment that is important: equally critical is the practice of moving leaders through the ranks to best leverage their institutional knowledge and skill sets.

#### Moving ahead

We have reached an important plateau in the practice of employee communications. Gains achieved in recent years through best practice models have been adopted by leading brands, and those slow to adapt will catch up in the next two to five years.

It is time for new breakthroughs. And these innovations will come to us in the form of personalising brands, evolving business models to better include employees and creating micro-programmes that can be dialled up or down depending on the changing business climate. We will adopt – or be forced to adopt – communications and business models that align all issues, cultures and differences in a common platform for growth. Meanwhile, information proliferation and overload will grow, and those companies that can most effectively deal with this will succeed in the new world order. ■

#### Author profile

*Keith Burton has been a leading industry practitioner in employee communications and change management for more than two decades. As president of Insidedge, Burton leads a global group of counsellors within GolinHarris and the Interpublic Group which is focused exclusively on improving organisational performance by building employee trust, improving internal communications and effecting overall change at many of the world’s leading corporations. During his 30-year professional career, Burton has served a range of clients, including NASA, the Federal Aviation Administration, Tyson Foods, Boston Scientific, Visa International and American Airlines.*

#### Further information

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