

# **Communication Tools for Maintaining Employee Engagement**

In an Uncertain Budgetary Environment

Executive Brief

## A FRAMEWORK FOR MEMBER CONVERSATIONS

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# TABLE OF CONTENTS

CEB's Employee Engagement Survey found that communication is a critical driver of employee engagement, intent to stay, and discretionary effort; in fact, internal communication is one of the top five drivers of both discretionary effort and intent to stay, demonstrating the important role communication plays in employee engagement.<sup>1</sup> Effective communication is all the more important during times of crisis and uncertainty—when employees are increasingly disengaged due to concerns about the impact of the unstable budgetary environment on their lives and jobs and employers operating under difficult conditions easily become preoccupied. This brief provides a collection of tools to guide organizations in effective and successful communications in an uncertain budgetary environment.

■ Communication Principles for Budgetary Uncertainty	p. 4
■ Guide for Building Communication Strategy	p. 6
■ Key Components of Change Communications	p. 7
■ Supporting Managers in Their Roles as Communicators	p. 8
■ Manager's Checklist for Change Communication	p. 9

<sup>1</sup> CEB, *Driving Employee Performance and Retention Through Engagement: A Quantitative Analysis of the Effectiveness of Employee Engagement Strategies*, December 2004.



Focus on seven key communication principles in the current budgetary environment.

- Effective communication is largely defined by the same components regardless of whether it occurs during a crisis or not.
- However, budgetary uncertainty makes particular aspects of communication more critical than they are normally.
- Thus, organizations should particularly focus on the communication principles.

# COMMUNICATION PRINCIPLES FOR BUDGETARY UNCERTAINTY

## Seven Communication Principles to Emphasize During the Downturn

<p><b>Principle 1:</b> Fill the communication void.</p>	<p>Even when you do not have all the answers for your employees or are uncertain of the organization's plan of action, the worst thing management can do is be silent.<sup>1</sup> Employees are looking to management to lead them through the downturn; simply acknowledging the unknown and telling employees what you do and do not know will give them confidence.<sup>2</sup></p>
<p><b>Principle 2:</b> Listen to your employees.</p>	<p>Employee communications should never be a one-way street; it is particularly important to ensure organizational communications are two way.<sup>3</sup> Employers can be most attentive to employees' current serious concerns and preoccupations by actively listening to and acting on employee feedback. In addition, considering your employees' suggestions and requests may provide ideas for supporting both your workforce—and your organization—through these troubling times.<sup>4</sup> For example, in an effort to demonstrate its efforts to actively listen to employees, Best Buy has created online surveys for soliciting cost-cutting ideas. In the surveys' first three weeks, the organization received more than 900 employee suggestions.<sup>5</sup></p>
<p><b>Principle 3:</b> Make senior leadership accessible and visible.</p>	<p>The visible presence of the organization's leadership can convey credibility, conviction, and passion in a manner unrivaled by other communication channels and vehicles.<sup>6</sup> Leadership should enhance its accessibility to employees by increasing normal modes of communication. For instance, organizations can encourage leaders to spend more time in the field, on the floor, or walking the corridors so that employees have more opportunity for contact.<sup>7</sup> Favor face-to-face communication, but note that when in-person communication is not possible, employees still benefit from seeing leadership through other mediums, such as webcasts.<sup>8,9</sup></p>

<sup>1</sup> "Communication Is Essential to Lead Workers Through Current Economic Crisis," *Watson Wyatt*, 30 October 2008, <http://www.watsonwyatt.com/news/press.asp?ID=19849>.

<sup>2</sup> Gallo, Carmine, "Financial Crisis: Communicating with Employees," *BusinessWeek*, 21 October 2008, [http://www.businessweek.com/smallbiz/content/oct2008/sb20081021\\_332561.htm](http://www.businessweek.com/smallbiz/content/oct2008/sb20081021_332561.htm).

<sup>3</sup> Ryan, Liz, "Managing Amid Economic Uncertainty," *BusinessWeek*, 19 September 2008, <http://www.businessweek.com>.

<sup>4</sup> Ibid.

<sup>5</sup> McGregor, Jena, "Managing Employees in a Downturn," *BusinessWeek*, 23 October 2008, [http://www.businessweek.com/magazine/content/08\\_44/b4106051107138.htm](http://www.businessweek.com/magazine/content/08_44/b4106051107138.htm).

<sup>6</sup> "Communication is Essential to Lead Workers Through Current Economic Crisis."

<sup>7</sup> Gallo, Carmine, "Financial Crisis: Communicating with Employees," *BusinessWeek*, 21 October 2008, [http://www.businessweek.com/smallbiz/content/oct2008/sb20081021\\_332561.htm](http://www.businessweek.com/smallbiz/content/oct2008/sb20081021_332561.htm).

<sup>8</sup> Waite, Annie, "Five Golden Rules for Communicating During a Downturn," *The Melcrum Blog*, 24 July 2008, <http://www.melcrumblog.com/2008/07/golden-rules-fo.html>.

<sup>9</sup> Gallo, Carmine, "Financial Crisis: Communicating with Employees," *BusinessWeek*, 21 October 2008, [http://www.businessweek.com/smallbiz/content/oct2008/sb20081021\\_332561.htm](http://www.businessweek.com/smallbiz/content/oct2008/sb20081021_332561.htm).

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## COMMUNICATION PRINCIPLES FOR BUDGETARY UNCERTAINTY (CONTINUED)

### Seven Communication Principles to Emphasize During the Downturn (Continued)

<p><b>Principle 4:</b> Prep the management team to ensure consistency.</p>	<p>Verify that the entire management team knows how to effectively communicate and knows what it should be communicating; this will help ensure consistent messages are being conveyed and will limit the potential damage caused by managers' informal conversations being overheard and disseminated as rumors throughout the organization.<sup>1</sup></p>
<p><b>Principle 5:</b> Provide information proactively.</p>	<p>Organizations should be focused on proactive employee communication during budgetary uncertainty; anticipate probable employee fears, concerns, and questions, and address them before they become issues. Do not wait for rumors to develop and spread, causing anxiety, confusion, and distrust; give your employees—in real time—a good sense of what is happening, and try to be the first source of information. This will help foster feelings of confidence, trust, and security among your workforce.<sup>2,3</sup></p>
<p><b>Principle 6:</b> Spread and share responsibility.</p>	<p>Take particular efforts to ensure you clearly communicate what you want your managers and workforce to do and what you expect from them. Your employees know that this is a particularly difficult time for business and they want to—and will—help if you tell them how they can do so.<sup>4</sup></p>
<p><b>Principle 7:</b> Emphasize your core values.</p>	<p>If you lack ideas for how to specifically ask your workforce to contribute and help the organization during this period, use this time as an opportunity to reinforce your organization's core competencies, values, and strengths. Emphasizing how your culture and values can help your organization thrive in the future and providing employees with examples of how they can personally uphold organization values and help the organization will strengthen your values and reinforce your employees' identification with the organization.<sup>5</sup></p>

<sup>1</sup> "Communication Is Essential to Lead Workers Through Current Economic Crisis," *Watson Wyatt*, 30 October 2008, <http://www.watsonwyatt.com/news/press.asp?ID=19849>.

<sup>2</sup> Waite, Annie, "Five Golden Rules for Communicating During a Downturn," *The Melcrum Blog*, 24 July 2008, <http://www.melcumblog.com/2008/07/golden-rules-fo.html>.

<sup>3</sup> Earing, Amanda, "When Business Is Down, Communication Is Key," *Manufacturing.net*, 2 May 2008, <http://www.manufacturing.net/Article-When-Business-Is-Down-Communication-Is-Key.aspx?menuid=90>.

<sup>4</sup> Gallo, Carmine, "Financial Crisis: Communicating with Employees," *BusinessWeek*, 21 October 2008, [http://www.businessweek.com/smallbiz/content/oct2008/sb20081021\\_332561.htm](http://www.businessweek.com/smallbiz/content/oct2008/sb20081021_332561.htm).

<sup>5</sup> *Ibid.*

**Involve stakeholders, consider the impact of message content and delivery, and follow up.**

- Providing employees with timely and accurate information during times of change, such as budgetary uncertainty, can impact employee morale and engagement and help prevent employee resistance or negative reaction to change.
- CEB has identified five primary steps for developing effective change communications, which can be used as a process guide.<sup>1</sup>

# GUIDE FOR BUILDING A COMMUNICATIONS STRATEGY

Process Guide for Building and Delivering a Communications Strategy in an Uncertain Budgetary Environment



- |  |  |  |   |   |
|--|--|--|---|---|
| <ul style="list-style-type: none"> <li>■ What do we need to accomplish in our communications?</li> <li>■ With whom do we need to communicate?</li> <li>■ How can communication accomplish the desired state?</li> <li>■ What do we need to communicate?</li> <li>■ In what order do we communicate with our audiences?</li> <li>■ When are messages communicated?</li> <li>■ What tools and channels do we use?</li> <li>■ How will we measure whether the communications strategy is successful?</li> </ul> | <ul style="list-style-type: none"> <li>■ Do executives, HR, and managers collaborate to communicate a consistent message?</li> <li>■ Is senior management driving organization-wide communications?</li> <li>■ Has HR provided managers with tools and training to adequately prepare them to support all communications?</li> </ul> | <ul style="list-style-type: none"> <li>■ Do communications detail the business rationale behind the change?</li> <li>■ Does the communications strategy effectively relay how budgetary uncertainty and associated organizational changes will affect employees and the organization in the short and long term?</li> <li>■ Has the organization determined how to clearly communicate what is expected of employees during the period of uncertainty?</li> <li>■ Has the organization determined how to communicate what resources are available to employees?</li> </ul> | <ul style="list-style-type: none"> <li>■ Does the organization have the infrastructure to provide timely, honest communication with employees?</li> <li>■ Does the strategy include a timeline detailing when messages should go out?</li> <li>■ Is there an appropriate communication channel mix to reach diverse, dispersed employee groups?</li> <li>■ Does the strategy ensure important messages are repeated through a variety of vehicles to ensure employees receive the information?</li> </ul> | <ul style="list-style-type: none"> <li>■ Does the strategy provide employees with the opportunity to respond to various messages?</li> <li>■ Does the organization plan to assess employees' reactions to change?</li> <li>■ Is the organization prepared to proactively and reactively adjust the strategy based on employee responses?</li> <li>■ Does the organization express appreciation for employees' assistance and cooperation?</li> <li>■ Does the organization offer resources for employees as they understand and act on messages?</li> </ul> |
|--|--|--|---|---|

<sup>1</sup> CEB, *Checklist for Communicating Corporate Change*, January 2007.



Ensure your internal change communications explain the situation and include critical components.

- Employees look to their employer for credible and candid information during times of crisis.
- Yet, employers largely fail to provide this communication, and employees are learning about the budgetary environment through the rumor mill instead.
- Organizations should prevent misinformation from spreading by explaining the budgetary environment through internal employee communications.

# KEY COMPONENTS OF CHANGE COMMUNICATIONS

## Critical Components of Internal Communications Regarding the Uncertain Budgetary Environment

### Internal Change Messaging Checklist

- Accessible Message Design**
  - **Use simple, real language:** Double check all messages to ensure any language that may sound trite, insensitive, or overly corporate is removed.
  - **Utilize trusted channels:** Use the most trusted communications channels for delivery of change messages and downturn-related information.
- Background Information About the Change**
  - **Provide reasoning:** Give reasons for the change, and explain the benefits.
  - **Involve employees:** Ask for staff's help in making the change work effectively.
  - **Show support:** Show support for the change initiative, which will help others accept the change.
- Employee-Specific Information to Allay Concerns About the Change**
  - **Provide specifics:** Provide as many details as possible.
  - **Be realistic:** Supply realistic detail of the positives and negatives of the change.
  - **Identify with employee reactions:** Let employees know you understand the range of emotions associated with the change.
  - **Share good and bad news:** Do not assume employees are only interested in hearing bad news; if your company is in a good place, communicate that as well.
- Discussion Regarding Questions, Concerns, or Ideas About the Change**
  - **Ask employees:** Ask employees what concerns or questions they have regarding the change.
  - **Listen:** Listen carefully as employees discuss their concerns.
  - **Accept employees' ideas:** Solicit employees for ideas on ways the team can best adapt to the change.
  - **Affirm employee value:** Let employees know their help is critical to bringing about successful change.
- Consistent Agreement on Solutions, Resources, and/or Support**
  - **Be clear:** Let employees know clearly what is expected and what resources are available.
  - **Offer support:** Offer your support in helping them adjust to the change.
  - **Ask for help:** Ask for their help in finding solutions that will effectively implement change.
  - **Recognize contribution:** Acknowledge each contribution, discussing advantages and drawbacks. (Using their ideas will increase commitment to the change.)
- Message Summary and Expression of Appreciation**
  - **Identify key points:** Summarize key points of the discussion.
  - **Highlight employee contributions:** Provide recognition or even a small reward.
  - **Express gratitude:** Sincerely express your appreciation for the assistance and cooperation in making the change work.



## Prepare managers to be effective communicators.

- Through their direct one-on-one relationships with employees and as a conduit for the organization's strategic priorities, vision, and values, managers as a group are the most effective factor in driving employee engagement.<sup>1</sup>
- Yet, although managers are the most frequent and employee-preferred provider of messages, communication is rarely a core managerial competency.<sup>2</sup>
- HR can equip managers to effectively communicate tough messages to their employees.<sup>3</sup>

# SUPPORTING MANAGERS IN THEIR ROLES AS COMMUNICATORS

## Checklist for Supporting Managers in Budgetary Environment Communications

- Coach managers in appropriate delivery methods and follow-up procedures:** Support line managers with communications coaches, when available, to help build the manager confidence in his or her ability to communicate effectively.
- Ensure managers comprehend crisis messages:** Make certain that line managers clearly understand the organization's crisis message; if managers are themselves confused, there is no way messages will be effectively cascaded down to employees.
- Facilitate dialogue:** Provide managers with discussion guides, and alert them to potential areas of employee pushback to facilitate effective dialogue.
- Help managers grasp employees' preferences:** Contribute to managers' understanding of their employees' preferences for and receptivity to challenging messages by sharing insight from past experiences, other business unit's communications efforts, and/or employee survey results.
- Provide managers with communications tools:** Provide managers with situation background, communications objectives, and key talking points to help guide them through communications and ensure strategic objectives are consistently messaged throughout the organization.<sup>4</sup>
- Train managers to customize messages:** Encourage managers to personalize corporate messages for their specific employee audience by emphasizing that the connection between an employee's work and the company's success drives employee engagement.

<sup>1</sup>CEB, *Driving Employee Performance and Retention Through Engagement*.

<sup>2</sup>CEB, *Employee Communications in Tough Times "Fast Pack,"* Washington, October 2008.

<sup>3</sup> Ibid.

<sup>4</sup> The "Manager's Checklist for Downturn Communications" on p. 8 is an example of a tool that HR can provide managers to guide them in delivering downturn messages.





Equip managers with tools to help them independently manage communications.

- HR can distribute talking points, background material, and other tools, such as this checklist, to guide managers in budgetary environment communications.<sup>1</sup>

# MANAGER'S COMMUNICATIONS CHECKLIST

## Manager's Checklist for Communicating Changes

### Manager's Checklist Communications

#### The Message

- Is my message consistent with that of HR, executives and other managers? What additional information do I need to effectively communicate with my direct reports?
- Does my message detail the business rationale behind the downturn-related change and explain the benefit and consequence?
- Does my message ask for staff's help in making the change work and managing the budgetary uncertainty effectively?
- Does my message show support for the budget-related change (i.e., help others accept the change)?
- Does my message clarify the vision, plans, and progress of the change initiative?
- Does my message relay how the budgetary uncertainty and related-changed will affect employees and the organization in the short and long term?
- Does my message provide as many details as possible?
- Does my message address the "What's in it for me?" question?
- Does my message supply realistic detail of both the positives and negatives of the budgetary environment and related-changes?
- Does my message let employees know that the organization understands the range of emotions associated with the economic downturn and related-changes?

#### The Communication Strategy

- Are my formal and informal communications timely, honest, and accurate?
- Am I repeating key messages numerous times?
- Have I addressed employee questions and issues, and have I captured and escalated important employee concerns?
- Has the organization determined how to clearly communicate what is expected of employees and resources available to them to help them transition?
- Do I communicate proactively and adjust my communication approach depending on employee reactions?
- Do I create opportunities for two-way, face-to-face dialogue and follow-up on items of concern following these conversations?
- Am I reaching my audience via numerous channels?

<sup>1</sup> CEB *Manager's Checklist for Communicating Change*, December 2007.