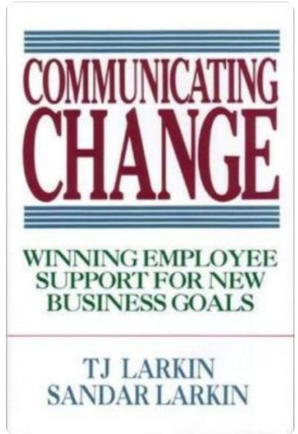

Rating
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Communicating Change

Winning Employee Support for New Business Goals

T.J. Larkin and Sandar Larkin • © 1994 McGraw-Hill • 252 pages

Management

Take-Aways

- Many executives are hopelessly lost when communicating to front-line employees.
- Corporations typically use newsletters, corporate videos and speeches by the CEO to communicate with employees. These are useless because they dodge personal contact.
- Frequent face-to-face conversations are the most effective way to communicate.
- Employees do not heed messages from senior executives or middle managers; they prefer to hear from their direct supervisors. So, empower the supervisors.
- In large companies, communication from CEOs doesn't boost employee performance, but communication from supervisors does.
- A CEO who expects his message to travel unimpeded to front-line workers is mistaken; middle managers inevitably hijack the message for their own power gain.
- All managers think they are effective communicators, in spite of the evidence.
- Corporations should kill suggestion boxes and other symbolic communication efforts.
- Employees don't feel loyal to corporations. They care about their local work area and their job security.

Recommendation

Nearly every CEO of a large corporation believes that words directly from his or her mouth will inspire front-line employees. Five decades of research show just the opposite, explain consultants and authors T.J. and Sandar Larkin. Their investigations emphasize the importance of communicating change through low-level supervisors, a group that has more credibility with front-line workers. They maintain that CEOs must go beyond simply telling supervisors what to do; they must also listen to these key employees and empower them by taking their suggestions seriously. The authors provide plenty of real-world examples to bolster their case. *getAbstract.com* recommends this clearly constructed argument to CEOs and to anyone charged with communicating with large numbers of employees. This engaging treatise, a classic, is ready to persuade its next crop of managers.

Summary

Communicating to Employees: Forget What You Know

When a corporation must tell front-line employees about major changes such as layoffs or strategic shifts, the method of communication follows predictable scripts. Everyone is herded into a massive conference room to hear the news directly from the CEO. The top boss lauds the employees' hard work, emphasizes the critical nature of this new initiative and ends the rah-rah speech with a plea for support. That is followed by videos sent to the company's far-flung offices and satellite hookups where corporate types address employees' questions and concerns. The company newsletter overflows with information about the change.

> *"Most of the advice given to senior managers telling them how to communicate change is wrong."*

This approach is all wrong for any company that hopes to win the hearts and minds of its front-line employees. In fact, it can be counterproductive. Workers facing layoffs or pay cuts are likely to receive the head office's messages with suspicion or outright hostility. Eastern Airlines executives learned this lesson the hard way in 1988. When the news was bad, top execs met with the rank and file, only to be greeted with spitting or even swinging fists.

> *"It is not an employee's communication relationship with the CEO or head office that matters; rather it is his or her supervisor that is paramount."*

Those ugly confrontations simply proved the reality of the workplace: front-line employees do not necessarily like or trust their CEO. However, they do respect their immediate supervisors. Yet all too often, corporations ignore the credibility that supervisors have with their employees. Savvy corporate executives who want workers' full cooperation should skip the speeches and communicate directly with supervisors.

Don't Go to the Front Line

Corporate communications efforts are littered with misguided attempts by CEOs to establish a link to front-line workers. UNUM Corporation's chief encouraged employees to e-mail him. Top execs at Dana

Corporation, Hasbro and Steelcase told employees to write them letters or even call them at home. Such strategies introduce a couple of unintended consequences. First, these campaigns quickly are exposed as window-dressing, which alienates employees. The types of gripes that employees take to the CEO inevitably involve the sort of minutiae best left to supervisors. The head of a large company really does not need to hear about the broken copier on the second floor, the lack of parking spaces in the employee lot or a disgruntled assistant's anger at being passed over for a promotion. Yet that's the sort of input he or she will receive. Moreover, employees believe that this direct line of communication to the top boss guarantees immediate action. Inevitably, they'll receive a response from the boss that amounts to passing the buck: "I've referred your concern to Bob Jones in Building Operations." Such a tepid answer leads to disillusionment and frustration.

> *"As if deaf, we practitioners insist on launching from the top, somehow convinced that the employees will be more favorably impressed with the change if they hear it first from senior executives."*

Second, the idea that a front-line worker should simply take his or her gripes to the top undermines the supervisors' relationships with their people. If the CEO does, in fact, act on workers' suggestions, the employees suddenly have a powerful new advocate and can bypass their supervisors. In other words, the direct line to the CEO is a lose-lose proposition.

> *"There is absolutely no evidence that communication from CEOs in large companies significantly affects employee behavior."*

What workers truly value is not communication from the CEO, but communication from their direct supervisor. Many CEOs mistakenly believe that how they communicate with employees somehow affects satisfaction and performance. Actually, the CEO's pronouncements make little difference in workers' outlooks. What matters far more is the workers' connection with their supervisors and how empowered the supervisors really are.

> *"Employees want to work for someone who is connected. Someone who has a voice in decisions."*

A University of Michigan researcher discovered this fact in the 1950s. He interviewed 10,000 utility workers and found that they did not care about their supervisors' leadership styles, but they did want their supervisors to have power. Employees valued bosses who had pull with the top executives. The lesson is that CEOs can boost worker satisfaction by giving their supervisors more power, so the supervisors can advocate effectively for the workers.

> *"If a company decides not to equip supervisors for face-to-face communication with their subordinates, the vacuum will be filled by rumors."*

Employees generally think of powerful supervisors as more credible, more persuasive communicators, so they value communication with them. A strong relationship between employees and supervisors is crucial. Studies of General Electric and Hewlett-Packard employees found that strong communication at this level deeply affected employees' opinions of their jobs, sometimes to an illogical extent. For instance, workers who gave good marks to their supervisors' communication skills also had a higher opinion of the company's benefits than did employees who gave low marks to their supervisors' ability to communicate.

Avoiding the Muddle in the Middle

CEOs make another common mistake: they believe important messages can be relayed effectively through middle management. When CEOs send messages this way, they believe they are rolling marbles down a stairway, with the content reaching the bottom in the same form it had at the top of the stairs.

> *"Middle managers are power sponges."*

The head of ABB, the Swiss manufacturing company, learned the folly of this approach firsthand. ABB launched an initiative to improve accounts receivable, an effort that required the help of some 2,000 employees. The CEO even gave the campaign a catchy name, "The Cash Race." But when he visited company offices to check on the initiative's progress, he was astounded to learn that front-line workers hadn't even heard of the Cash Race. He intended for it to be their top priority. The Cash Race crashed to a halt in that layer of middle management sometimes known as "the cement layer" or "the muddle in the middle."

> *"In the face of countless everyday instances of poor communication, managers wrap themselves in a warm blanket of self-approval."*

The effort to push a message through middle management flounders on a straightforward issue: power. Middle managers are not interested in just relaying the CEO's goal. They have a vested interest in grabbing the message, molding its meaning and using it to their advantage.

This tendency became apparent in an evaluation of how a large bank communicated its policies to front-line loan officers. Middle managers wrote impenetrable memos that would have taken lawyers hours to parse, yet they considered their memos perfect examples of business writing. The bank responded by sending five branch employees to writing classes, assigning them to learn how to communicate policies clearly. Once trained, they rewrote the managers' memos. The new documents were a smashing success. They were written in the form of easy-to-follow flow charts that took only a few seconds to digest. That is when the muddle in the middle reared its head. The middle managers who wrote the obfuscatory memos thought the simpler versions were an affront. Bankers, they huffed, were supposed to know how to read jargon-filled memos. In fact, this exemplified a middle management power grab. The unclear memos yielded countless phone calls to the authors from bank employees seeking clarification. These calls reaffirmed the middle managers' power, no matter how counterproductive the memos really were.

Improving Communication with Supervisors

In some cases, poor communication is a power grab. In other instances, it is simply the result of bad habits. Managers never admit that they are poor communicators. Instead, they tout their open-door policies and their steadfast rules about always listening to their workers. These glittering self-images are largely self-delusion. The managers at a mining company insisted that staff supervisors had input into capital expenditures. But when researchers headed out onto the shop floor to talk with the supervisors, they learned that the supervisors had not been informed at all about management's plans to buy a new crane, dump truck, drill and tractor. The researchers presented the evidence of this lack of communication to the managers, only to be told that those capital requests were aberrations. The managers insisted that they talked to supervisors about every other capital expenditure, just not those particular purchases. Clearly, these executives overestimated their communication skills.

> *"Thinking that a publication will improve communication is to misunderstand the entire communication problem."*

In fact, communicating with supervisors is not difficult. Opening these conversations requires nothing more than frequent face-to-face meetings in informal settings. Productive ways to improve communication include:

- Managers should have lunch with supervisors.
- Managers should make daily rounds to check in with supervisors for a few minutes.
- Managers should move their desks out of the executive suite and onto the shop floor.
- Any capital investment should require the affected supervisors to provide written feedback on the purchase.

> *"Eliminating a purely symbolic form of communication does not send the wrong signal. Just the opposite."*

On the other hand, launching a department newsletter, putting up posters about the virtues of communicating, scheduling team-building sessions or setting up committees are contrived communication solutions that will accomplish nothing. These approaches fail because they do not involve regular, direct discussions between managers and supervisors.

Communicating about Layoffs

Communicating about capital improvements is a relatively low-stress endeavor. For a higher degree of heartburn, consider telling anxious employees about a round of layoffs. In such cases, CEOs almost always waste far too many words explaining "why" and use too few explaining who is being fired and how much severance pay they will get.

> *"Management often tries not to scare employees."*

All your explanations about globalization and the need for competitiveness will not help a fired worker feel any better. So pick one very simple explanation - "Sales are down 25%" or "Our competitors charge 15% less for the same product" - and stick with it. Remember that many employees are eager to leave if you give them the chance. For instance, British Telecom once offered severance packages as a way to encourage 33,000 employees to leave voluntarily. The packages were so advantageous that some 45,000 agreed to take the offer. So instead of focusing too much on justifying your decision to workers, try instead to communicate the details of their severance packages clearly.

> *"What employees value is their local work area and their job security."*

As with any other type of change, communicating with supervisors about layoffs is crucial. Front-line employees aren't likely to call human resources for clarification about the details. Instead, they will ask their supervisors for advice. When communicating about a downsizing, make your communication brutally simple. Send out a short, tightly edited document with few words and plenty of white space. Don't title it, "Processes and Criteria for the Selection of Terminated Employees." Try, "Who Will Go."

Remembering What Employees Care About

When communicating with front-line workers, remember their priorities. They don't care about the corporate parent and its financial results, production targets and overseas expansions. They care about their local work area and whether they'll still have a job next month or next year. Too many CEOs make the mistake of using messages to front-line employees as a way to build loyalty to the corporation - a pointless exercise.

Consider the example of a department store chain where executives were disturbed to see customer satisfaction decline from 87% to 82% during the course of a year. A regional manager sent out a long memo to employees in which he restated platitudes about customer service, lauded workers for a job well-done and buried the disturbing news that customer service was falling. Then some of the company's managers decided on a more effective way to communicate the trend: they distributed a diagram showing the effect of customer service on job security. At 60%, the company is out of business. At 100%, new stores open and people get promotions. At 82%, the chain's present level of satisfaction, the likely results were cuts in overtime and fewer bonuses. Some objected that this diagram, which was printed on a laminated card and widely distributed, was a scare tactic. But large companies too frequently try not to frighten their workers, even when people need to be aroused. There is nothing wrong with a scare tactic that directly ties company performance to job security.

About the Authors

T. J. Larkin and **Sandar Larkin** are directors of Larkin Communications Consulting, which has offices in New York, London and Melbourne. T. J. holds a doctorate and attended the University of Oxford and Michigan State University. Sandar previously worked for an international bank.