

Saving Morale

How Communications Can Re-engage Employees

BY ALISON DAVIS

When it comes to morale, all of the news seems to be bad. Seventy-two percent of companies reduced their work forces in 2009, according to HR firm Towers Watson.

In addition, many more companies cut benefits, eliminated training, placed workers on unpaid furloughs and froze salaries.

There's no doubt that this trouble will affect employee engagement. Instead of feeling lucky that they still have jobs — after all, one in 10 U.S. workers are unemployed — workers are increasingly disgruntled, according to a survey released by the Conference Board on Jan. 5. Only 45 percent of those surveyed said that they were happy with their jobs, which has decreased from 66 percent in 1987. (See Page 8 for more on this study)

But smart companies are using the economic crisis as a way to connect with employees, despite the need to make painful decisions. Others are taking advantage of a brightening financial picture in order to build a new sense of community.

What are companies doing to stem the tide of disengagement? Communicators at a number of companies said that, despite the obstacles, they are using a variety of ways to make a positive impact on morale.

Being transparent

It's best, of course, to always tell people the

truth. However, during challenging times, it's human nature — especially for empathetic leaders — to want to soften the impact of bad news.

At hotel chain Marriott International, Inc., communicators helped counsel leaders to “be as transparent as they could be,” says Matthew Papuchis, manager, communications and change management, sales and marketing.

“The economy has been especially tough on the lodging industry,” says Papuchis. “So, like other companies, Marriott was forced to make cutbacks. Throughout it all, our philosophy was simple: Give employees the information they needed as early as possible so they could make life decisions. This was sometimes painful, but it shows respect for people when you treat them like adults.”

Putting news in context

Georgia-Pacific, one of the world's biggest manufacturers of paper, packaging and building products, also followed the play-it-straight philosophy but added another ingredient: context.

“Over the past year or so, the economic news has been extremely confusing. So we felt it was critical to provide context about what it meant to our business,” says Steve Church, senior director, business communications, at the 45,000-employee company. “Our employees are smart, but the economic picture was so murky that it was some-



Survey: More Americans Are Unhappy With Their Jobs

Even Americans who are lucky enough to be employed during the recession are becoming unhappier with their jobs, according to a survey released in January that found only 45 percent of Americans are satisfied with their work.

That was the lowest level ever recorded by the Conference Board's Consumer Research Center in more than 22 years of studying the issue. In 2008, 49 percent of those surveyed reported satisfaction with their jobs.

The drop in workers' happiness can be blamed partly on the worst recession since the 1930s, which made it difficult for some people to find challenging and suitable jobs. But worker dissatisfaction has been on the rise for more than two decades.

"It says something troubling about work in America. It is not about the business cycle or one grumpy generation," says Linda Barrington, managing director of human capital at the Conference Board.

Fewer workers consider their jobs to be interesting, the survey found. In addition, workers were unhappy because incomes have not kept up with inflation, and the soaring cost of health insurance has eaten into their take-home pay.

"What's really disturbing about growing job dissatisfaction is the way it can play into the competitive nature of the U.S. work force down the road and on the growth of the U.S. economy — all in a negative way," says Lynn Franco, another



er author of the report and director of the Conference Board's Consumer Research Center.

Workers under 25 years of age expressed the highest level of dissatisfaction. Roughly 64 percent of workers under 25 said they were unhappy in their jobs. The recession has been especially hard on young workers, who face fewer opportunities and lower wages, some analysts say.

Those ages 25 to 34 were the most satisfied. This group may see opportunities for upward mobility as baby boomers retire. Around 47 percent of workers 25 to 34 said that they were happy in their jobs.

Some other key findings of the survey:

- Forty-three percent of workers feel secure in their jobs. In 2008, 47 percent said they were safe in their position while 59 percent felt that way in 1987.
- Fifty-six percent said that they like their co-workers — slightly less than the 57 percent who said so last year but down from 68 percent in 1987.
- Fifty-six percent said that they are satisfied with their commute to work even though commute times have grown longer over the years. This is compared with 54 percent in 2008 and 63 percent in 1987.
- Fifty-one percent said that they are satisfied with their boss. That's down from 55 percent in 2008 and around 60 percent two decades ago. ■

times difficult for them to connect the dots."

As a result, Georgia-Pacific spent a lot of time educating its employees about key economic issues. For example, since one of the company's main product lines is building materials, leaders provided an in-depth look at the housing market.

"This context helped employees understand why the

company needed to make certain business decisions," says Church. "That goes a long way [for] retaining trust."

Looking at the whole picture

Many employees have experienced the past several years as a series of losses, including the 401(k) match, health

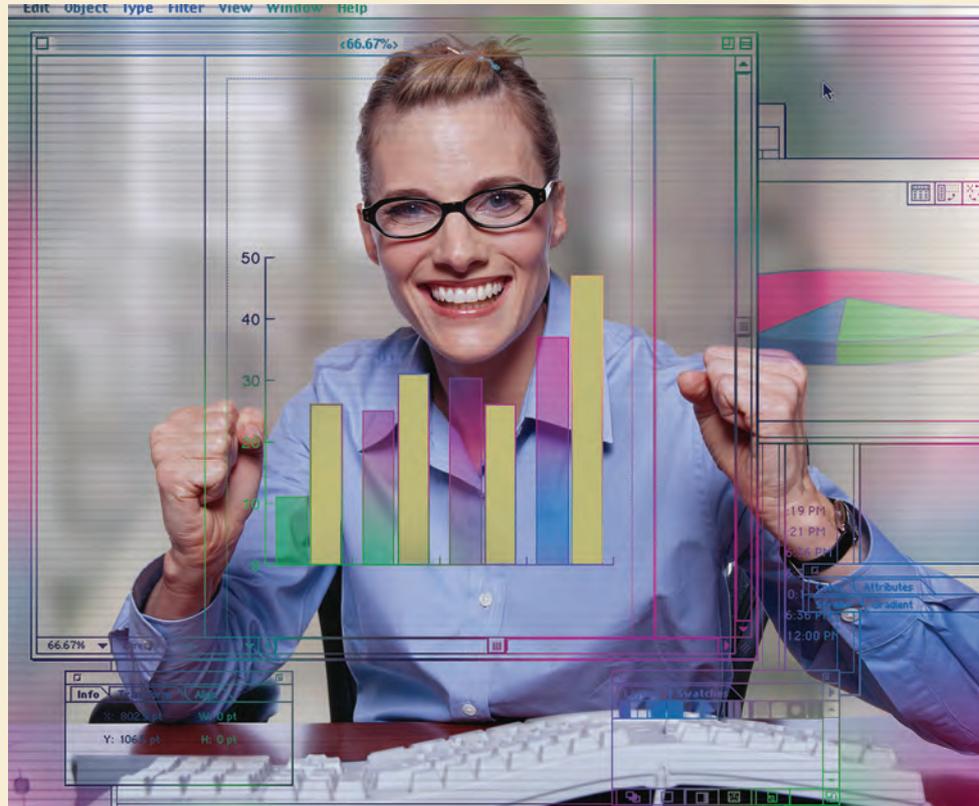
Survey: Despite Tough Economy, Employee Confidence Remains High

Despite one of the worst economic environments in American history, U.S. employees report surprisingly high levels of confidence in the overall direction of their companies and their management, according to an employee confidence survey released this past November.

Conducted by APCO Worldwide in partnership with Gagen MacDonald, a strategy execution firm, the survey uncovered unexpectedly high degrees of employee loyalty despite uncertainty about how loyal their companies are to them. The survey was carried out among a cross section of 500 full-time U.S. workers who have been employed for at least one year at companies with 100 or more employees.

“Though the survey found surprisingly high levels of employee loyalty and trust, there is clearly less certainty of the company’s reciprocal allegiance. By employing more strategic communication, we believe companies can demonstrate their loyalty to employees and make significant headway in building the high-performing cultures needed to weather the remainder of this downturn and grow during the eventual economic recovery,” Maril MacDonald, CEO of Gagen MacDonald, said in a release.

Overall, employees are very confident about the current and future direction of their companies, the survey showed. More than 80 percent of the respondents said that their companies were headed in the right direction; only 15 percent thought things were headed in the wrong direction. Nearly nine out of 10 employees believe conditions will be better or the same a year from



now; only 12 percent said that they will be worse.

Some 75 percent of the respondents were also highly confident in their CEO’s and immediate supervisor’s abilities to effectively lead their organizations. Those who believe that their companies are headed in the wrong direction rated the performances of their CEOs significantly lower.

In addition, employees generally agree that their companies successfully communicate the information necessary for them to do their jobs and that their supervisors provide clear directions and priorities for their teams. Employees, however, see their company executives falling short on clearly explaining the future direction of the company.

benefits and salary increases, among other job benefits.

How should communicators provide information about pay and benefits? It begins with candor, says Barbara Zajac, senior consultant, communications, for Towers Watson. Communicators have to go beyond simply delivering one piece of bad news after another, she says.

“Employees often don’t understand the full spectrum of benefits their companies offer,” says Zajac. “That’s why especially in a time of cutbacks, you need to step back and provide information about the whole array of benefits.”

“Perks like time off and flexible work arrangements continue to matter to employees,” she adds. “When

EMPLOYEE COMMUNICATIONS

employees know what's available, their satisfaction increases."

It's also important to keep listening to employees talk about what they care about. For example, at Marriott, a small thing — like the ability to wear jeans on Fridays in the summer — lifted people's moods. So the company extended this policy into the fall, and then instituted casual Fridays, when employees may wear jeans in the office.

Leading by example

How you shape messages and the story that you tell are an imperative part of building trust. But who is delivering those messages is just as critical.

"It's all about leaders," says Paulette Gabriel, owner of Key Leadership Initiatives, a management consulting firm. "The fastest way to create disengagement is for leaders to hunker down and become invisible. Tough times call for a high-touch approach to leadership: getting in front of people, being transparent, making personal connections."

That "high-touch" approach to leader communication has been a key strategy for Thermo Fisher Scientific, an equipment and service provider for life sciences and health care markets.

Ginger Kuenzel, director, employee communications, at Thermo Fisher, explains, "We make sure our leaders are role models. For example, our CEO has done a good job of visiting sites and meeting people. But with 35,000 employees, it's impossible for senior leaders to reach everyone personally."

So in 2009, Kuenzel led a program to improve local town halls and forums. "Employees want face-to-face contact with the leader they know and trust," she says. "But in the past, although our leaders usually had good intentions, the experience was sometimes lacking — town halls were too static and not interactive enough."

The town hall program involves employee teams made up of people from multiple job functions and levels at every site.

"The team offers suggestions about how to structure the session, develops agenda items and provides feedback," says Kuenzel. "The result has been dramatic: Leaders feel supported and more confident, and employees report that town halls are more dynamic, more participatory and more useful."

Creating a community

One of the most important jobs for leaders, especially during tough economic times, is to communicate that everyone's in the same situation.

More leaders are speaking not only at formal gatherings like town hall meetings, but also in informal settings like company cafeterias. They're also expressing empathy and appreci-

ation. As Gabriel explains, the upside of bad times is that leaders present a chance to create a new sense of community

"The past decade was all about being fast and first," she says. "Tough times forced us to slow down and reassess. And what many people concluded is that what really matters is connecting to one another. Leaders who realize this have the opportunity to engage employees, even in a down economy."

Many company spokespeople offered examples of employees coming together, from potluck holiday gatherings to volunteer days.

Sharing good news

After all of the grief of recent years, the next opportunity for many communicators is sharing good news. That's the scenario facing Matt Evans, communication manager, global organizational advancement/human resources, for the Timken Company, which produces bearings and steel products.

"Last year, the company made difficult decisions to protect our balance sheet, including work force reductions in professional and operative associates, cost-cutting initiatives, furloughs, and a divestiture," says Evans. "The good news is that we're prepared for the rebound in our markets."

For example, Timken recently communicated the restoration of the company match to the 40(k) and international retirement plans, and informed employees that the furlough program concluded at the end of 2009.

Remembering the rules

For those of us who have forgotten how to communicate good news, what are the rules?

"The same principles apply. It's about respect, and treating people like adults," says Evans. "Involve leaders and managers so they can answer associates' questions. Give people warning so they're not surprised. And above all, be candid and transparent."

Doing so, he says, has a significant payoff, no matter what you're communicating. "Our associates have been through some tough times," Evans says. "But they know they matter to the company. When it comes to building morale, that makes all the difference." ■



Alison Davis is CEO at Davis & Company, an employee communication firm that helps companies reach, engage and motivate employees. E-mail: alison.davis@davisandco.com.