

Prepare leaders to clearly communicate company strategy in all messages to employees

## IMPROVING STAFF PERCEPTIONS OF LEADERS

**Employee perceptions of leadership correlate strongly with a company's financial success. Since communication opportunities between leaders and employees help form employees' opinions of leaders, communicators should be doing all they can to enhance and improve these contact points.**

Research shows that questions on employee surveys about top management's leadership capability (being accessible, fair and competent) have a statistically strong link to their companies' financial performance.<sup>1</sup>

Corporate communicators can have a major impact in convincing employees of their leaders' capability through the communication interactions we facilitate between executives and employees.

This impact can be seen in Figure One, which shows the best and worst ratings employees at 10 organizations gave their corporate senior leaders (VP level and above) on several communication-related leadership behaviors. For instance, over 40 percentage points separate the highest- and lowest-scoring leadership teams on how well they "explain company direction" and "keep employees informed."

Some of the key ways corporate communicators can improve their own leadership's ratings are:

- Ghost writing a variety of electronic and printed communications, such as mass e-mails from the president or CEO columns for a publication or intranet site.
- Managing a system of meetings between leaders and employees (in person or virtually through Webcasts or videoconferences).

<sup>1</sup>William A. Schiemann, "Driving Change Through Surveys," *Organizational Surveys*, Jossey-Bass, 1996.



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### Drafting executive messages

Many of the weaknesses reported in Figure One can be addressed in the way we draft messages from executives. For example:

- Describe company direction in clear, understandable ways that literally tell stories or draw pictures of how the future will be different from today. Executives need to translate the strategy to show how it will change the day-to-day way employees do their jobs. For example, how should sales people sell differently, or manufacturing employees make products differently to achieve the strategy? Failure to provide this level of information makes executives look out of touch with what's happening in their organization.
- Explain why. Don't just report decisions, put them in the context of how they fit with the company's overall strategy and values. Discuss the advantages and disadvantages of alternatives that were considered but ultimately discarded.
- Avoid over-promising. Executives can be too optimistic about outcomes and need to be encouraged to discuss the possible negative aspects as well.
- Be timely. Waiting two weeks for approvals on information that is already being discussed as rumors lowers perceptions of truthfulness and keeping employees informed.

### The value of access to leaders

A major step in improving employees' perceptions about executive leadership is to increase the number of employees who have a first-hand chance to meet them.

Many companies send their executives on an annual

"roadshow" to all facilities, or randomly to different sites throughout the year.

At 15 companies surveyed in the last several years where executives conduct employee forums, an average of 74 percent of employees report having seen a meeting with senior corporate management.

However, the percentage at individual companies ranges from 99 percent with access, to a low of 58 percent (see Figure Two). Size and geographical dispersion are not the only factors affecting how many people get to meet their leaders:

- The company with 99 percent access to meetings with executives has 18,000 employees spread out at 11 sites in three countries.
- A company with only 700 employees in two US locations reported only 73 percent of employees having access to these meetings.

On average, 72 percent of employees who have meetings with executives say these provide them with information they need for their jobs or find useful. The value of senior leader forums at individual companies ranges from 48–89 percent (see Figure Two).

Staff meetings, intranets and mass e-mails are generally rated as more valuable than executive/employee forums. Publications, videos and mass voicemails are rated lower.

### Getting value from meetings

Based on the suggestions of over 1,000 employees in focus groups, here are some ideas for maximizing the value of executive/employee meetings in your organization.

- Focus content on the topics employees say they want to hear about from senior executives.

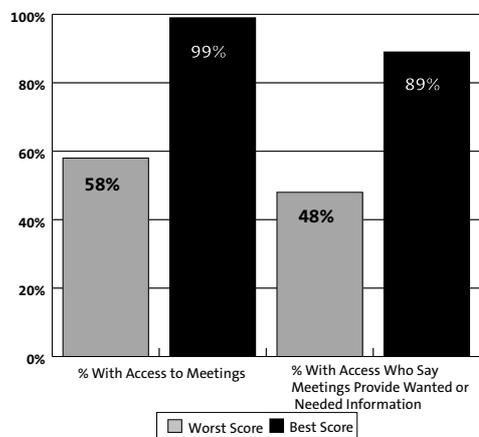
On average at 15 surveyed companies, the topics the majority of employees want to learn about from their leaders include: corporate/division strategy and plans, the reasons behind decisions and corporate financials. Nearly half of employees also want to learn about customer and competitive issues from leaders.

- When developing content for meetings, find out from local communication or HR staff the current hot issues on the minds of employees and managers. This will help executives look more knowledgeable and avoid their being “ambushed” by questions they’re not prepared for.
- Conduct short surveys with random employees before meetings to identify knowledge and attitudes so these can be compared against changes after the meetings.
- Before the meeting, provide detailed information on the subjects that will be covered. This way participants have a chance to review the information and consider questions they want to ask.
- Executives should arrive early at the meeting to talk informally with participants as they arrive. This creates a more informal, trusting climate and gives executives a chance to get a sense of what’s on employees’

minds before they start speaking.

- Present information for no more than one-fourth of the total time of the meeting – the rest should be dedicated to dialogue.
- The presentation should provide context on the topics being addressed, not simply repeat detailed information provided in advance. The message should also include a “call to action” that lets those in the room know specifically what they’re being asked to do.
- Allow questions to be asked anonymously, either by filling in a question card available on people’s chairs or in advance by e-mailing questions to a local coordinator.
- If no questions are asked at first, the executive should raise a controversial question to show that it’s safe to address tough issues. This can be based on the pre-meeting research.
- When employees raise problems, ask for their suggested solutions rather than just promise to fix things. Corporate executives often don’t have enough local information to know what the best solutions are without more research. This technique also turns employees into problem-solvers rather than complainers.
- Be honest when the executive does not know an answer or is not able to discuss a topic because of legal or regulatory

**Figure Two: Meetings between executives and employees**



guidelines. Leaders can often disarm employees if they just accept the blame for a bad decision and explain what will be done to avoid similar problems in future.

- Listen to the emotion behind questions and concerns raised. Addressing just the facts may miss the true issue.
- Publish Q&As from each meeting in a printed or electronic newsletter and a searchable site on the intranet.
- Ask participants to complete a short evaluation form about the meeting’s content, relevance, understandability, openness to questions/ideas and credibility of speakers. Compare this with data from the pre-event survey and identify any changes in attitudes or behaviors.

**Figure One: How employees rate executives’ communication skills**

Senior leaders’ communication behaviors	Company with lowest favorable rating	Company with highest favorable rating
Are truthful	40%	78%
Clearly explain company direction	28%	70%
Keep employees informed	26%	67%
Explain reasons behind decisions	28%	54%
Explain how employees help reach goals	33%	52%
Understand the challenges employees face	22%	48%

**The impact on the bottom line**

Enabling leaders to communicate meaningfully with staff can increase employees’ ratings of executives and help leaders learn more about the companies they are managing.

The more executives learn about the internal environment and how front-line employees perceive customers and competition, the more effective they will be as leaders. And that leads to a bottom-line impact on company value. scm