

Keeping Employees Focused During Tough Economic Times

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Why Communicate with/ Motivate Employees?

- Most credible sources of information
- Most important resources to achieve competitive advantage
- Fear of not knowing is worse than knowing the bad news

Understanding Environment in Which They/(Us) are Living

- ❑ Lack of information & understanding
- ❑ Bad news!(Stock Market, Layoffs etc.)
- ❑ Media sensationalizes
- ❑ Advanced technology & 24/7 news environment
- ❑ Leaders don't have all the answers
- ❑ Expectations of transparent communication
- ❑ Turf protection vs. support

Environmental Scan

- Is your industry or related industries in trouble? Stock price down? Sales down?
- Layoffs or threat of layoffs in other, similar organizations?
- Layoffs or threat of layoffs in your organization? Department?
- Relatives, friends in trouble?
- Personal financial trouble?

Internal Culture Scan

- Managerial style & training – good communicators?
- Cross-organization sharing – turf protection or teambuilding?
- Valued listening – bottom up feedback valued, acted on or ignored, discouraged?
- What's your organization's culture going in?

Research First

How do we find out what employees are thinking, feeling, doing?

- Formal and Informal Research
- Word-of-mouth/Grapevine/Social Media
- Behavior: do they stay or do they go?

Economic Crisis Communication Strategy

Low Anxiety, Concerns, Fear

Strategy:

- Traditional but continuous comm.
- Monitor and respond
- Isolate and Solve
- Supervisor as Communicator
- Goal focus

Tactics:

- No new methods but increase frequency
- Research – dipstick, opinion leaders
- Workshops: financial, stress mgmt,
- MBWA senior management
- Goals that contribute to bottom line (energy savings, customer service)
- Employee Action/Role (ambassadors)

Message Strategy:

- What makes a difference
- Reinforce what is going right
- Productivity & performance
- Role of employee as ambassador

High Anxiety, Concerns , Fear

Strategy:

- High Touch
- Secure and Hold
- Isolate and Solve
- Management as communicator
- Objectives Focus

Tactics:

- Face-to-Face
- One-on-ones
- Education: financial, stress mgmt
- Cheerleading w/o spin
- Small steps on critical goals
- Customer Service Strategies
- Employee Action/Role (ambassadors)

Message Strategies

- Reality w/o fear – calming
- Transparency
- Education

Examples of What's Being Done Now

□ **Actions Speak Louder: Cutting Expenses Before Jobs**

- Starbucks CEO salary drop, \$1.2 million to under \$10,000/yr.
- Motorola's freeze on pension plans/401K matches (plus CEO salary cuts)
- Fed-Ex base salary cuts for CEO & senior execs

□ **"Invertising" & internal buzz-building campaigns**

- PepsiCo, Coke
- Make sure internal & external messages are consistent!

Examples of What's Being Done Now

□ **Stay true to organizational values**

-- **IBM**: 1st line manager communication; severance; 1st dibs on internal openings

□ **Communicate, communicate, communicate**

-- Town halls, pd sessions, blogs, wikis, Q&A

Example of What Not To Do

❑ Microsoft's severance overpayment to laid-off employees

"Last week, 25 former Microsoft employees were informed they were overpaid as a part of their severance payments from the company. This was a mistake on our part. We should have handled this situation in a more thoughtful manner. We are reaching out to those impacted to relay that we will not seek any payment from those individuals"

Employees As Ambassadors

- Employees are ambassadors – whether they want to be or not!
- Do you know who your internal opinion leaders are?

Employees As Ambassadors

- 5% Hand-picked
- 10% Self-Selects
- 85% Everyone Else

Involving Employees As Ambassadors

1. Research groups & organizations they're affiliated with already
2. Place employees on Boards
3. Proactive speaker's bureau
4. Yellow cards
5. Create a Social Responsibility Project

Involving Employees As Ambassadors

6. Piggyback on an existing Social Responsibility Program (linked to cause)
7. Advisory Council (external with employee involvement)
8. Top 10 FAQ campaign

When Layoffs Loom...

- ❑ Create **cross-functional team** – HR, Legal, Communications
- ❑ **Plan and script** employee notification, Q&As etc. for one voice
- ❑ **Coordinate internal and external** layoff announcements
- ❑ Monitor **traditional and social media/internet**
- ❑ **High level leadership visibility &** communications, with supervisor support

When Layoffs Loom...

- **Honest, transparent communication**
 - **Be open** about rationale, the facts leading to the decisions
 - Don't say it's the only layoff if it isn't!
- **Treat severed employees fairly**
 - Ample notice, packages, outplacement assistance
- **Watch the contradictions!**
 - Expensive conferences & parties
 - Senior level management perks

When Layoffs Loom...

- **Evaluate available communications tools and techniques – add if needed!**
 - Town Hall Meetings
 - Small group discussion sessions
 - Use technology for senior leaders
 - Feedback links – post FAQ's
 - Workshops on training, job skills, finance, stress management, health and wellness

When Layoffs Loom ...

- **Allow mourning** for lost colleagues
 - But not wallowing
- **Clear direction** moving forward
 - Keep focus on specific tasks, objectives, goals day-by-day
- **Don't forget survivors**
 - Credible message points to keep everyone on the same page

During Times of Uncertainty...Communicate!

- According to a 2007/08 Watson Wyatt Survey, effective employee communications is a leading indicator of financial performance.
- A mid-October '08 survey of 248 US-based companies indicated that many expect to increase employee communications.

Top 9 Recommendations

1. Be a **transparent** organization
 2. **Educate** so they understand!
 3. **Set goals** – connect personal w/organizational
 4. **Involve and engage all levels** of employees... make it part of the culture!
 5. **Spotlight** the role models
 6. **Train your spokespersons**
 7. **Support everyone** in the company – no turfing!
 8. **Coach the visionary** for the organization
 9. **Communicate, communicate, communicate**
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Questions? Discussion?

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