

## **Communicating and Measuring Employee Contribution to Strategy**

*by Chris Anderson and Alix Edmiston*

A senior executive with a large corporation recently faced the modern challenge of communicating business strategy to employees.

Over the past three years, the executive's company, a U.S.-based leader in the transportation field, completed an in-market merger with a European firm, four smaller acquisitions in three countries outside its home base, and aggressively outsourced major processes to partners in India and China.

"How do I get everyone understanding the direction our company has agreed on," she asked recently, "so that employees working for the companies we acquired, our merger partners, my Indian call center operations and my head office employees in the U.S. are all taking a consistent message to our customers and employees?"

The recent study by the IABC Research Foundation and Right Management Consultants, *Best Practices in Employee Communication*, illustrated that her challenge is one shared by communicators around the world. It highlights the urgency and importance of using communication to help employees understand and actively participate in the execution of a company's strategic direction.

The study reported that 83 percent of companies ranked "motivating employees to align with business strategy" as the first or second on their list of communication priorities. Only 37 percent believed their companies were managing this effectively.

It's a gap that is both disturbing and understandable.

Globalization has created a cultural and business diversity in most large corporations that demands a new level of sophistication from our communication functions. We are asking our call center employees in India to team up with our service representatives in California to represent the company consistently and effectively, adopting an identical corporate vision and values and acting in a manner that makes geographic and cultural distance irrelevant. This is a tall order.

At the same time, technology has driven unprecedented speed and access. Customers are demanding action faster than ever before. To cope, companies have no choice but to allow all levels in the organizations to share in decision making. As a result, senior management is realizing that engagement of employees to understand and act on the direction of the company is no longer simply a "nice thing to do." It is an urgent necessity fundamental to aligned execution of business strategy.

So how do we shift our communication focus to address these challenges and prove to senior management that successful communication has a direct impact on ROI?

In a word, relevance. Our communication must be simpler in content, but more detailed in terms of implementation and process. We can no longer deliver a "one-size-fits-all" product. Content must be customized not only by line of business, but by the sub-cultures that exist within any large organization. In addition to our traditional role in

crafting the official formal message at the "top of the house," we must spend more time connecting on-the-ground implementation and personal contribution to the strategic direction of the organization.

Recently, a major global financial institution asked us to develop a communication process for managers to lead productive dialogue with their employees about its business strategy and the role of teams and employees in contributing to it.

The senior management in this organization viewed improving communication as a top priority. But they weren't sure how to communicate their strategy effectively and weren't in agreement on how to define "improving communication." We had the opportunity to step up and sell management on rolling out a communication strategy that would increase employee engagement and tap into the important role each employee can play in implementing the strategy.

We pitched a concept called the "Strategy Dialogues," which would be shared with a wide range of employees located around the world. The objective of these dialogue sessions would be to build consistent, daily line-of-sight between strategy at the top of the organization, implementation at the unit level and personal contribution.

Our first challenge was to obtain buy-in from one of the units to pilot our concept. We chose a unit led by an executive vice president who had the influence and respect of the rest of the senior management team. He worked closely with our team to develop meaningful content to clearly highlight the line-of-sight for his employees to illustrate their role in implementing the global technology and operations strategy.

Once the pilot was a success, our executive vice president acted as a passionate champion. Furthermore, he didn't perceive the Strategy Dialogues as a communication department initiative because he was involved in developing and testing it. We received approval to roll out the dialogues across the organization based on his endorsement. We developed an implementation plan around the success of the pilot.

The program was implemented in two phases. The first phase focused on the theory behind the new strategic direction. For example, why did it choose this direction over others? What is our overall plan to deliver it?

The second phase focused on executing the strategy and how teams and individuals actively contribute to it. We started this phase by providing managers with a tool to help them explain to employees the metrics that will be used to measure success. This includes a simple "performance map" that helps employees connect metrics at a unit and personal level.

Managers were given a simple presentation with instructions and coaching for facilitating a dialogue with employees to help them understand how they fit.

Following the Strategy Dialogues, formal communication vehicles such as the organization's intranet were realigned to reinforce the messages delivered first by managers.

The results of the Strategy Dialogues showed the following:

On a scale of 1–10, employees ranked "the importance of understanding strategic direction to my day-to-day job" at 9 on their list of needs. Employees rated the overall effectiveness of the Strategy Dialogue sessions at 8.5. Most important, the dialogues resulted in a 40 percent improvement in employees' understanding of their connection and contribution to the strategy. Leaders considered the dialogues for more than simply their communication value. They worked with us to develop a communication program that they now view as an essential component of their organization-wide strategy development program. They saw the value of collaborating with employees to reach their goals. "The dialogues were very important to building commitment and engagement," said one executive. "They allow us to explore how we get there as a group."

Employees also saw the value in participation: "The goals for our business unit, the team and down to the individual are the clearest they have ever been," said one participant. "The way we are going to be doing business moving forward is clearly refreshing."

#### Top Eight Rules for Communicating Business Strategy to Employees

1. Create "line-of-sight" between strategy, team implementation and personal contribution.
2. Focus on relevance—build a consistent but customized focus.
3. Create opportunity for dialogue as a fundamental component of communication.
4. Solicit employee input about content and process before implementation.
5. Build coaching and training of managers into the process.
6. Focus on eliminating layers of information from the strategy process.
7. Lead with face-to-face communication, and reinforce with formal communication, such as intranets, magazines, newsletters, etc.
8. Spend time with leaders to ensure alignment of daily signals to the strategic direction.

Alix Edmiston is the communications adviser for global technology and operations at RBC Financial Group in Toronto. She is also a member of the IABC Research Foundation board. E-mail her at <mailto:alix.edmiston@rbc.com>.

Chris Anderson is principal of 2CA Inc., a Toronto-based consultancy that helps Fortune 500 companies to execute and communicate business strategy. E-mail him at [chris.anderson@2ca.ca](mailto:chris.anderson@2ca.ca).