Leaders have focused for decades on customer care. But only recently have they realized that employees who work with those customers have more to do with the success of a business than does virtually any other corporate constituency. Today anyone in a supervisory or managerial role needs to understand how to care for the corporation’s most valuable asset—the employee. With the cost of hiring and training new employees rising and negative feelings about big business already high, organizations need to find ways to satisfy, nurture, and educate employees to succeed in this highly competitive global environment. Companies need to use the power of internal communications to differentiate themselves so that they can attract and retain fresh, young minds. Companies also must learn how to retain the highly educated workforce exemplified by the baby boomer generation.

The Changing Environment for Employees

The environment for business has changed dramatically over the last half-century. Today’s employees have values and needs that are different from those of their counterparts in earlier decades. Many employees in today’s service-based economy are well educated, have higher expectations of what they will get out of their careers than their parents did, and want to understand more about the companies they work for.

The workplace of today is also different—tighter staffing, longer hours, greater workloads, and more emphasis on performance are the norm. Additionally, layoffs are a constant threat as companies look to cut costs, and lifetime employment has become a thing of the past. A Gallup poll conducted in February 2002 revealed that 51 percent of respondents personally knew of someone who had been laid off or fired recently.

The environment for business has become increasingly complex and highly competitive. These changes put greater pressure on employees and also call for a more concerted
effort in the area of internal communication. David Stum of the Loyalty Institute comments, “The American worker knows quite well that change is never-ending. How it’s handled is what can lead the worker to be secure or insecure.”

Part of the problem at many companies is that senior managers simply do not involve lower-level employees in most strategic decisions. This tends to make these employees feel alienated and unwilling to accept changes within the company. In a poll conducted by Gemini Consulting and Yankelovich Partners, more than half of employees surveyed did not know their company’s mission statement, 84 percent didn’t consider it fundamental to their work, and 44 percent didn’t feel connected to their employers. More than anything else, good internal communication can connect employees to a company’s strategy and vision.

And this communication must be a two-way process. Managers need to recognize that if they provide information to employees and also listen to them, those employees will be excited about their work, connected to the company’s vision, and better able to further the goals of the organization.

Creating an Effective Employee Care Program

The “employee care” revolution is, in essence, about creating an atmosphere of respect for all employees within the organization. How can you actually create an effective employee care program within your organization? Here are the key steps, from personal, one-on-one mechanisms to programs that use technology to distribute messages broadly and instantaneously.

Communicate Up and Down

Many large companies seem like faceless, unfeeling organizations, an impression that is only reinforced when no upward communication exists from employees to management. When high-level managers isolate themselves physically and psychologically from other employees, effective communication cannot happen.

A nationwide survey of more than 5,000 employees in U.S. firms conducted by a major consulting firm showed that the biggest criticism employees have of companies is that they do not encourage upward as well as downward communication. A minority of employers seek workers’ opinions about key issues, according to the survey, and a quarter of those surveyed do not feel free to express their opinions at all.

The best approach for communicating with employees is through informal discussions between employees and supervisors. Employees need to feel secure enough in their positions to ask questions and offer advice without fear of reprisals from top management.

Continental Airlines CEO Gordon Bethune is recognized for his effective leadership, which includes his high visibility among frontline employees and openness to communicating with them regularly. Each month, Bethune holds an open house in his office, where employees are invited to show up to speak with him about anything—issues, suggestions, complaints. Several times a year, he travels to the airline’s major hubs to meet with employees. With this kind of open communication and care for employees as a hallmark of his leadership style, Bethune has been credited for a significant improvement in employee morale and overall corporate culture at Conti-
Respecting employees as well as listening and interacting with them form the basis for an effective internal communication program.

**Make Time for Face-to-Face Meetings**

One means of ensuring that employees have access to senior management is to hold regular, in-person meetings with fairly large groups of employees. Such meetings should take place frequently (at least quarterly) and should be used as opportunities for management to share company results and progress on key initiatives. Most important, such meetings should provide employees with an opportunity to ask questions of management in an open forum.

Topics for these types of gatherings should be limited rather than trying to tackle everything that is going on at the company. Managers should survey employees beforehand to find out what is most important to them. Then a presentation can be built around one or two issues that are critical from the employee perspective, plus one or more messages that management wants to share. Too often, management only sets up such meetings when the company has an important announcement, reducing the likelihood of relevant dialogue.

Starbucks supplements an online idea program that encourages employees to e-mail ideas to their managers with a face-to-face program known as “Open Forum.” Open Forum sessions are held quarterly at 14 different venues nationwide, comprising three hours of senior management presentations, updates on critical issues, an informative videotape, and extensive Q & A. Although the sessions are not mandatory, attendance rates are high as employees take advantage of opportunities to interact with senior management and hear firsthand about company strategy and goals.

Certainly large-scale events are an effective means to reach out to the greatest number of employees at one time, but managers should not overlook the importance of meeting with employees in small groups. If managers are seeking feedback or opinions about key initiatives, they may find that employees are more forthcoming when not in a large-group setting. Small groups are also more conducive to resolving specific problems.

**Create Employee-Oriented Publications**

While meetings are an important way to communicate with employees, the most common form of information sharing in many companies is still through the print medium. Unfortunately, most internal company publications are bland and boring. How can companies make newsletters or magazines more interesting to employees?

Companies need to realize that their publications are competing with the national and local media for their employees’ attention. Today’s employee is a sophisticated consumer of information more interested in seeing something akin to USA Today than a list of bowling scores or a photo of the “employee of the month.”

Above all, these publications must be honest about anything that might affect employees. Nothing will hurt
morale more than having employees find out about a major corporate event from a source other than the corporation itself. The most senior communication official and the CEO should take an interest in company publications to ensure that employees are getting the real story about what is happening to the company and the industry. The goal is to make employees feel part of the team, and on the cutting edge of what is happening within the firm and its industry.

The General Motors monthly report, *Messages from the Marketplace*, communicates with employees about how the company is responding to changes in the auto industry and the economy and what this means for them. And while Microsoft communicates frequently with its employees via e-mail, it also produces a weekly newspaper, *Microsoft News*, that is delivered nationwide to every employee’s desk. Reader surveys receive a high level of response, and in turn, the content of the paper has evolved based on readers’ thoughts and suggestions. Candid letters to the editor are encouraged, reiterating to employees that their thoughts and ideas are highly valued.

The messages that go into these periodicals will vary by industry and company, but managers must strike the right balance between what employees are interested in and what they really need to hear from top management. Employees should look forward to the next issue of the company publication in the same way they do their university’s alumni magazine. In fact, alumni magazines are excellent models in terms of style and tone for company publications.

**Communicate Visually**

Americans are increasingly turning to television as opposed to newspapers to get their news. Similarly, employees are becoming more visually oriented in their consumption of information. As a result, many companies have developed ways to communicate with employees through this powerful medium.

Most large corporations have elaborate television studios staffed by professionals and capable of satellite broadcasting and reception. Such sophisticated systems are the best mechanisms for communicating with employees through visual channels. Even if your company does not have its own studio, outside vendors can provide these services as needed.

These studios are often used to create “video magazines” that can be made available to employees in outlying areas, helping them feel part of the organization even when company headquarters is 1,000 miles away. Managers should not see expenditures on such communications as frivolous or wasteful but rather as an investment in the firm, a way to make each employee feel more connected. If these productions are well done, they can be tremendous morale boosters and provide a visual history of the company that can be used for years to come.

Visual communications do not always have to be high-tech, however. At Colgate-Palmolive’s Mennen plant, for example, ubiquitous white boards reveal details about breakdowns, production goals, sick leaves, birthday, vacation schedules, and numbers of units coming off each line. A special racecar billboard depicts the pro-
Productivity of each line relative to the others—a visual measure of success and a source of motivation and pride. Plant manager Rob Frazier requested that employees write each day on a white board what they were doing to improve communications—what better way to share ideas? Such visual communications are inexpensive, easy to implement, and virtually impossible for any employee on the plant floor to miss.

Communicate Online

The advent of company intranets in the late 1990s provided a new channel through which companies could reach their employees quickly and broadly with important news on events and key management initiatives. Many company intranets also serve as an interactive platform for employees to share their views on company programs, a process that contributes to building trust.

Communicating through company intranets can offer many of the same benefits as live discussion groups. For example, JCPenney’s managers ask their peers questions online, which they can answer instantaneously. All of these questions and answers are stored in a Q&A database for future reference. The program has been so well received that more than 500 managers use this “Knowledge Management System” daily, with 300 actively participating in discussion groups.

Internet technology, while extremely powerful, must be used thoughtfully if it is to enhance communications rather than detract from the impact of management’s messages. Employees are bombarded by information, especially given the near ubiquity of e-mail and voice mail. Consequently, companies need to invest a considerable amount of thought into ensuring their messages are getting through to employees.

Managers should also resist the impulse to move all communications online unless it is certain that all employees will use this medium. Surveys that reveal how employees would like to receive different types of information can help determine what types of information a company’s intranet will be the best channel for. An effective internal communication strategy should focus on both content and channel, recognizing that using multiple channels (some traditional and some more innovative) has the best potential for success.

Hewlett-Packard (HP), for instance, found the optimal balance of old and new media after a certain amount of trial and error. For almost four decades, HP employees received hard copies of MEASURE—a bimonthly employee publication. But in 1999, after HP announced that it would spin off Agilent Technologies to focus on printing and imaging products, management looked at and examined ways to improve every part of the HP business, and the company magazine was no exception.

The decision was made to transform MEASURE into a strictly online magazine accessible via the company intranet. When this move was announced, it met with stiff opposition from employees, many of whom reportedly like to “curl up on the couch” with the magazine. Even HP CEO Carly Fiorina agreed that “there are things you can do in print that you can’t do as well in any other medium.”

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The online magazine idea was dropped and HP instead revamped the print version of MEASURE with innovative design elements and improved content. The magazine is now used as a means to drive employees to the company’s popular intranet, hpNow. While MEASURE offers employees a sense of familiarity and continuity, the company intranet is serving as an effective vehicle for follow-up stories and an archive of past articles from the print publication. HP recognized that its print publication was effective and that employees had a strong connection to it, and thus used the intranet to enhance rather than replace it.

**Focus on Internal Branding**

Internal branding is also important to building morale and creating a workplace where employees are engaged with their jobs. While communicators do inform employees about new advertising campaigns, they seldom recognize the need to sell employees on the same ideas they are trying to sell to the public.

Internal branding is especially critical when an organization is undergoing changes such as a merger or a change in leadership. When British Petroleum merged with Amoco and then ARCO, it rebranded itself as BP and launched an internal branding campaign simultaneous with an external program. Proclaiming that the merged entity was going “beyond petroleum,” the campaign reinforced the rebirth of an oil company into an energy company with an open, collaborative, New Economy culture. Employees of the three companies that merged to become BP now have a solid identity to relate to.

New advertising campaigns are also appropriate times to think of internal branding. Mark Levine, director of employee communications at networking giant 3Com, created the “3Com More Connected World Expo” as an internal traveling trade show geared toward employees. The trade show went on the road at the same time as 3Com was launching its “More Connected” campaign to the public. “We wanted our employees to understand why we were rolling out that brand,” Levine said. “We wanted them also to understand...how that brand connected with the vision, strategy, and mission of the company.” According to surveys 3Com conducted at the end of each local event, 85 percent of participants said they understood the “More Connected” message, and 78 percent understood the company’s vision.

Internal branding campaigns can also be launched when results of internal audits reveal that employees are not connecting with a company’s vision or when morale is low.

When internal and external marketing messages are misaligned, the customer experience will suffer, with adverse effects on the company. For example, one health care company marketed itself as putting the welfare of its customers as its number-one priority, while telling employees that the number one priority was cutting costs.

Even when employees understand the company’s brand promise or key customer deliverable, it is not until they believe it that they can really help the company carry it out. Just as external branding campaigns aim to create emotional ties between consumers and your company, internal branding’s goal is to do the same with em-
ployees. Focusing attention on this important area will generate improved employee morale and, ultimately, better results for the company.

**Consider the Company Grapevine**

When considering channels of internal communication, we cannot neglect the importance of informal communication pathways. The company grapevine—an informal communication network including everything from private conversations between two employees to the latest anecdotes shared in the cafeteria—should be considered just as much a communication vehicle as a company’s house organ or employee meetings. In fact, given that an estimated 70 percent of all organizational communication occurs at the grapevine level, distributing messages faster and in more credible forms than formal channels, it is even more crucial that managers tap into it. Yet statistics reveal that over 90 percent of companies do not have a policy to deal with the grapevine or to manage any other informal communications network.

Managers can find out more about what employees think by simply asking questions. Union Carbide, for example,

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**How to Succeed with Employees**

- **Create an atmosphere of respect.** Too often, managers neglect those who are most critical to their success. By creating an atmosphere within the company that fosters respect for all employees, you can ultimately affect relationships with all key constituencies.

- **Treat employees as insiders.** Think of your employees as family members. You wouldn’t do something radically different in your life, like change jobs or agree to work on a holiday, without checking in with your family. Similarly, employees want to feel that they are part of something larger than the faceless, bureaucratic entities that most companies have become. Think about them first rather than last as you implement new programs.

- **Build up corporate loyalty.** By treating employees with respect and including them in important decisions, you are more than likely to get loyalty from them in return. Ultimately, you want them to be “Ambassadors of Commitment” within your organization rather than drones punching a time clock each day.

- **Capture more discretionary time.** If employees truly feel invested in the organization, they are also more likely to give freely of their time above and beyond what is expected. In our research, we came across professionals, hourly workers, and union members all willingly giving their time to the company for free once they felt that they were part of the solution rather than part of the problem.

- **Increase two-way communications.** Leaders are excellent at making pronouncements from on high and even suggesting that they are willing to listen. Few, however, are really willing to do the hard work it takes to listen and respond to what those most closely connected with key constituencies like customers are telling them. Find ways to increase communication *from* your employees and then respond to what they are saying.
uses overnight polling to gauge employee reactions to its programs. In one study, 89 percent of managers conceded that the grapevine transmits negative information indicative of a lack of trust concerning other employees, supervisors, or organizational policies. The stronger the sense of trust and commitment between employees and management, however, the less often employees will resort to the grapevine as the chief means of expressing their voice and hearing those of fellow employees.

The Leader’s Role in the Employee Care Revolution

Over the last several years, more and more leaders have come to the same conclusion: they need to get out from behind their desks, put down their cell phones, and get away from their computers, and go out and get to know the people who are working for them. No other method works as well, and no quick fix will satisfy the basic need for interaction with other employees.

The involvement of CEOs and other senior leaders in internal communications is critical because these individuals are a company’s culture carriers and visionaries, and all communications relating to corporate strategy start with them. They need to work closely with internal communication professionals to ensure their messages are received and understood by all employees.

With all the sophisticated technology available to communicate with employees today, such as e-mail, intranets, and satellite meetings connecting distant offices, the most important factor in internal communications begins with leaders, who have a basic responsibility to their employees. That responsibility is to listen to what they have to say and to get to know who they really are as individuals. Today’s employees do want high-tech and sophisticated communications, but they also want personal contact with their managers. Understanding that fact is the first step in creating an employee care revolution within your company.