

ALIGNING EMPLOYEES WITH A UNIFIED VISION

"BUT MAN HAS ALMOST CONSTANT OCCASION FOR THE HELP OF HIS BRETHREN, AND IT IS IN VAIN FOR HIM TO EXPECT IT FROM THEIR BENEVOLENCE ONLY. HE WILL BE MORE LIKELY TO PREVAIL IF HE CAN INTEREST THEIR SELF-LOVE IN HIS FAVOUR, AND SHOW THEM THAT IT IS FOR THEIR OWN ADVENT TO DO FOR HIM WHAT HE REQUIRES OF THEM...IT IS NOT FROM THE BENEVOLENCE OF THE BUTCHER, THE BREWER, OR THE BAKER, THAT WE CAN EXPECT OUR DINNER, BUT FROM THEIR REGARD TO THEIR OWN INTEREST."

These are the words of Adam Smith from *The Wealth of Nations*, written in 1776. In this quote, Mr. Smith poetically reveals the drive of human self-interest, or what we often refer to today as personal relevance. It was on this behavioral basis that Mr. Smith developed an economic theory about how people make decisions—how a customer selects a product, how an investor selects stock, or how an individual chooses a particular occupation or employer.

Just as it was clear to Adam Smith over 200 years ago, it remains true today that one cannot motivate people solely on reason, nor can one motivate solely with emotion. It requires the foundation of reason to persuade people and the associated emotional relevance to motivate their decision making.

Dr. Richard B. Wirthlin has said, "Leadership is the power to persuade. It does not emerge from a one-time event. It embeds in an ongoing process that persuades the group to support actively those things that will allow the vision of the leader to be realized."

Like Adam Smith, many leaders today understand the importance of developing a

clear, compelling, and unifying vision that engages the hearts and minds of employees. When employees are aligned with a shared vision they have a keen sense of how their personal roles support the overall business, and they in turn make decisions that are in the best interest of the enterprise.

In our March 2001 edition of *The Wirthlin Report* we revealed the importance of understanding the rational and emotional components of employee decision making and how those insights can lead to the development of communication strategies, campaigns, and messages that truly engage the hearts and minds of employees. We provided a Communications Strategy Toolkit in *The Wirthlin Report*, sharing a number of proven and practical tools for crafting more effective and persuasive communications.

In this issue we would like to expand on that learning and focus specifically on alignment, the cement that binds and keeps an enterprise functioning. We'll share recent measures on alignment, provide a framework of the factors underlying alignment, and have a more detailed discussion about the impact of some key issues on employee perceptions.

HIGHLIGHTS

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The role of communication

Key to aligning employees with corporate values and mission

3

Satisfaction with communication at work declines

Employees less satisfied with corporate communications than one year ago

3

Corporate satisfaction linked with employee alignment

Employees more likely to behave in ways that support business

4

Optimism toward company

Employees voice more pessimism about corporate America

5

Corporate responsibility

Most workers feel their company is guided by sound principles

5

How's your company doing?

Questions every manager should ask





“Many UK and European companies are slowly coming to realize the value and importance of internal communications in developing the employer brand and generating a clear line of sight between company objectives and personal objectives.”

Andy Buckley

**Associate Director,
WirthlinEurope
& Co-Leader,
Organizational Alignment
Consultancy**

THE ROLE OF COMMUNICATION

Alignment can be a difficult task. According to The Conference Board, CEO's today are quite worried about how to get employees to buy in to company goals and values.¹ They have good reason to be worried. While an aligned organization can reap many benefits, decision making in an organization that lacks alignment can lead to chaos and poor results, as individuals make decisions that are not connected with achieving higher level objectives.

Employee alignment with company goals and values is highly dependent on leadership behavior and on internal communications which educate, engage, engender commitment, and motivate employees to pursue a common purpose. Today's most effective leaders articulate the vision and values that provide the glue—the basic philosophy and sense of direction, and value set—that draws everyone together.² These shared values can be a primary vehicle for more effective employee communications.

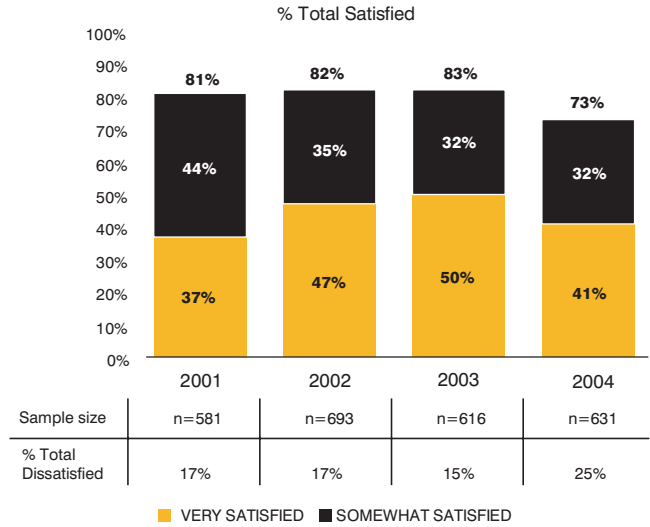
Yet leadership behavior has been under scrutiny over the past few years. The rapid speed of change in a global economy, coupled with visible leadership failure in many organizations, has deteriorated the reservoir of goodwill toward leadership today.

According to Wirthlin's latest annual alignment survey, satisfaction with communication at work declined significantly over the past year and one-fourth of those surveyed are dissatisfied with communications.

Those who are dissatisfied are more likely to think the country is headed in the wrong direction, are concerned about the economy, and worried about jobs going to Mexico or

SATISFACTION WITH COMMUNICATIONS AT WORK HAS DECLINED

QUESTION: Overall, how satisfied are you with the communications you receive at work? Would that be very [satisfied/unsatisfied] or just somewhat [satisfied/unsatisfied]?



Base = Those employed either full or part-time

India. Employees in the manufacturing sector are more likely than those in the service sector to be dissatisfied with communications. Yet, it is not just the skilled trades or represented employees who are worried; engineers and tech employees in manufacturing industries are also increasingly concerned about job loss.

Companies in Europe and the UK fall short on communications, with only 58% of UK employees agreeing that they are satisfied with communications from their employer.

Patricia Hewitt, Minister for Department of Trade and Industry in the UK spoke last year about how employees are the new customers of organizations, who can increasingly choose to take their labor where they like. Employees in the UK are therefore more demanding of their employers and as such, organizations have to think more carefully about the way they communicate and present themselves to the workforce, much as they

would their customers and marketing communications.

Employees are deluged with information vying for their attention. For communications to rise above the clutter and have business impact, messaging must be dynamic, engaging and relevant to the employees. Communication effectiveness is not measured in communication output via memos, videos, newsletters, or other vehicles. Effective communications are measured in outcomes that are tied to the overall direction and purpose of the organization.

Therefore, the consequences of declining satisfaction with communication can be critical to the business. For years, WirthlinWorldwide employee research has demonstrated a direct relationship between employee alignment and communication in the workplace.

The factors underlying employee loyalty provide a useful framework for thinking continuously about how to improve. At the heart of

¹ Conference Board, *CEO Confidence Survey*, 2nd Quarter 2004.

² *The Wirthlin Report*, "Communication Strategy Toolkit," August 1999, p.3.

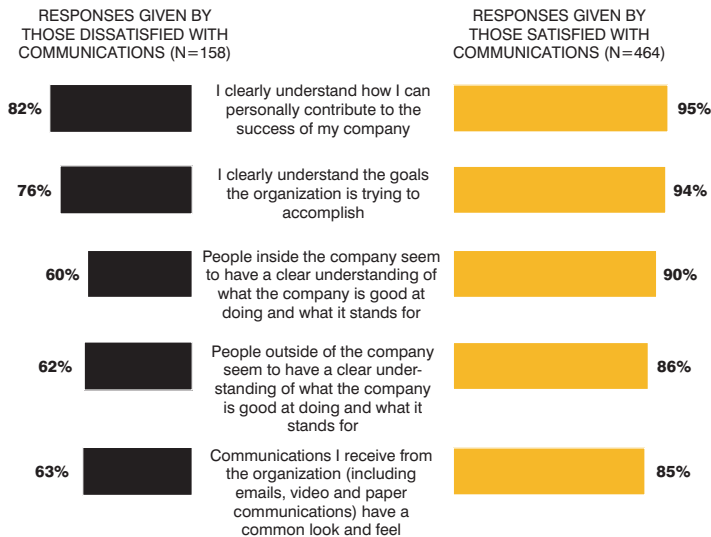
employee loyalty is a clear understanding of the overall purpose and goals the company is trying to accomplish. This component has the strongest influence on employee intent to stay with a company. Several other components have weight in rounding out the employee relationship with the company, as shown in the chart below.

Clearly, these components may be more or less important from company to company and may fit together in different ways, yet this provides a helpful framework of issues to consider when managing the employee relationship and, thereby, the company's reputation, from the inside out.

MANAGING ISSUES OF RESPONSIBILITY

There are some things that are increasingly challenging for any enterprise to manage. While the global economy provides new opportunities for growth, recent economic and corporate news, as well as the current US elections, have increased attention on the outsourcing of jobs. Yet, there seems to be consid-

THOSE WHO ARE SATISFIED WITH COMPANY COMMUNICATION ARE MORE ALIGNED...



erable disagreement among Americans about the overall economic and personal impact of outsourcing. Economic justification drives much of the pro- and anti-outsourcing debate.

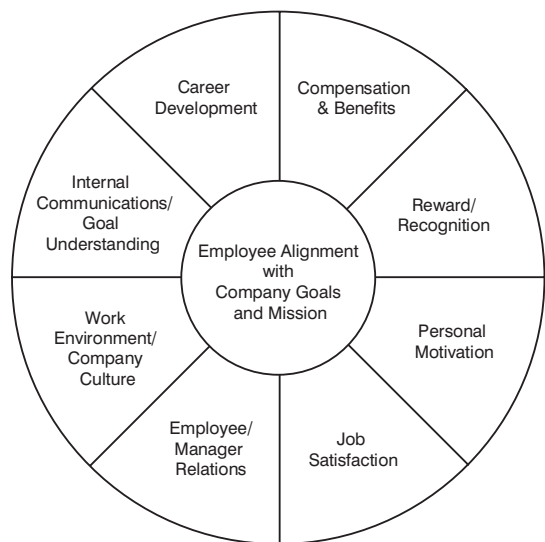
- Job loss is the single strongest argument eroding support for outsourcing. Many politicians, com-

mentators, and citizens decry outsourcing tasks to countries with lower labor costs because of the effect on jobs in the U.S.³

- Concern over job loss is high on the radar screen of many Americans. A recent report by the Kettering Foundation and Public Agenda notes that workers believe preserving U.S. jobs should be a major ethical priority for businesses and that layoffs should be a last resort.⁴

- There is also growing evidence that the difficulties encountered when communicating across time zones and across cultures are causing companies to rethink the practicality of and savings gained by off-shore outsourcing.⁵
- However, outsourcing proponents argue that those same jobs that are relocated overseas—because of the job creation and wages paid—create demand for American products and services.⁶ Outsourcing also makes it possible to pro-

Factors Underlying Employee Loyalty



Employees who are aligned with the organization are far more likely to behave in ways that support the business: recommend their company as a place to work, recommend their products or services, or recommend their stock as an investment.

³ *New York Times*, "Overpromising on Trade," February 28, 2004.

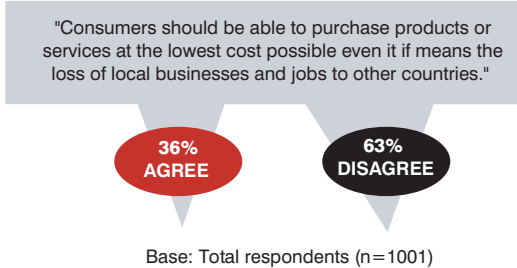
⁴ *Dallas Morning News*, "Business Morality?: Gap Between Employers, Workers Too Wide," March 15, 2004.

⁵ Thurm, Scott, "Lesson in India: Not Every Job Translates Overseas," *Wall Street Journal*, March 3, 2004.

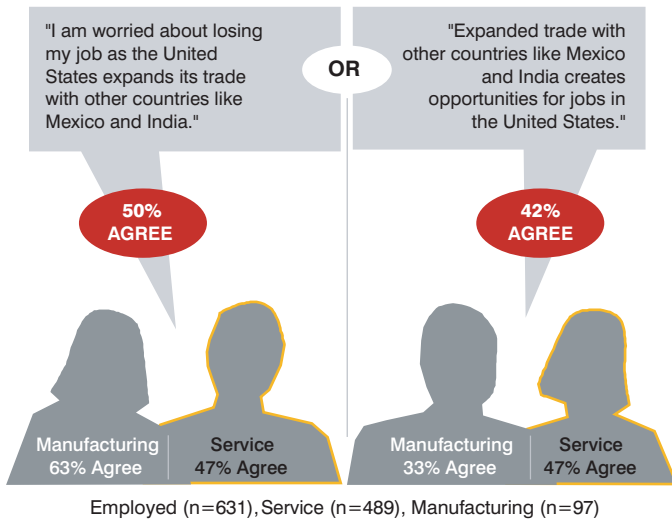
⁶ Friedman, Thomas L., "30 Little Turtles," *New York Times*, February 29, 2004.

Exporting of Jobs is a Concern

% agree/disagree with statement below:



% agree with one or the other of these statements:



differences between those in the service sector and those in manufacturing. Those in manufacturing are much more likely to expect a negative impact from the practice. Yet, in reality, there is emerging movement of jobs overseas in the service sector.

The spotlight on corporate malfeasance has also affected employee alignment. Confidence in corporate America continues to be tested. The reality and negative press coverage of the past few years—the scandals about the Enrons, Halliburtons, WorldComs, and Martha Stewarts of the world—has affected American sentiment toward Corporate America. Fifty-six percent of the public feel Corporate America has pretty much gotten off on the wrong track.

Yet, on a personal level and closer to home, Americans do not sense that the company they work for is tainted by the same negative brush as the rest of corporate America. Seven in ten Americans feel the company they work for is going in the right direction—32 percentage points higher than those who believe corporate America is going in the right

direction. This is not an unusual trend—we often find these gaps when we ask people to consider issues or companies where the relationship is close to home. For example, people generally think their own Congressman is headed in the right direction, but Congress as a whole is seriously off on the wrong track.

Likewise, most employees feel the company they work for behaves responsibly, although those in the manufacturing sector are less likely to feel this way. Leadership plays a significant role in engendering confidence that a company will deliver on its promises. Three-fourths of employed Americans say their company can be relied on to keep its promises.

Leaders today accept that they can't control everything—but they can and should manage what they *can* control—building a reservoir of goodwill with employees to help them deliver on their promises and weather the difficult storms. Translating where the business is going in ways that are contextually and personally relevant to employees is the job of every leader and essential to employee alignment.

duce goods and services that save Americans money.⁷

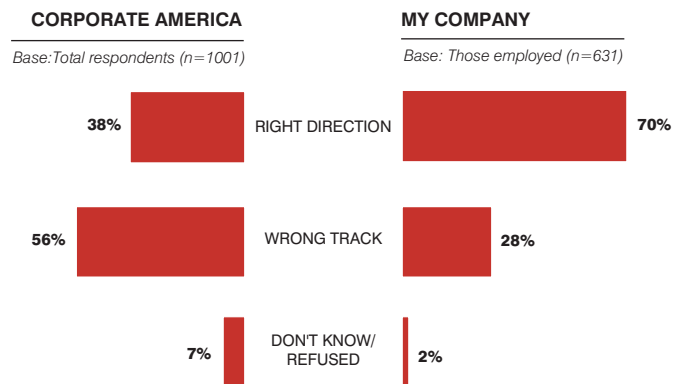
- For business leaders, outsourcing can make good business sense. In the Kettering report, **corporate leaders describe the loss of jobs as a business decision; they don't see it as a moral or ethical issue.**⁸

Given all the attention to employment issues in the press, it is important to gauge employee reaction to these important issues and understand attitudes toward the companies for whom they work.

Not surprisingly, workers are concerned about exporting U.S. jobs. The way most workers feel about the overseas outsourcing of jobs also indicates

MY COMPANY IS DOING BETTER THAN CORPORATE AMERICA AS A WHOLE

QUESTION: When thinking about the state of affairs in (Corporate America/ The company or organization where you work), would you say that things are going in the right direction, or have they pretty seriously gotten off on the wrong track?



⁷ *New York Times*, "Overpromising on Trade," February 28, 2004.

⁸ *Dallas Morning News*, "Business Morality?: Gap Between Employers, Workers Too Wide," March 15, 2004.

"Leaders are the most results-oriented individuals in the world. They get results because their visions are compelling and pull people toward them. Leadership is the capacity to translate vision into reality."

-- Warren G. Bennis (b. 1925), American writer, educator, University of Southern California sociologist

HOW ARE YOU DOING?

To better understand the degree of alignment within the organization, management must ask itself:

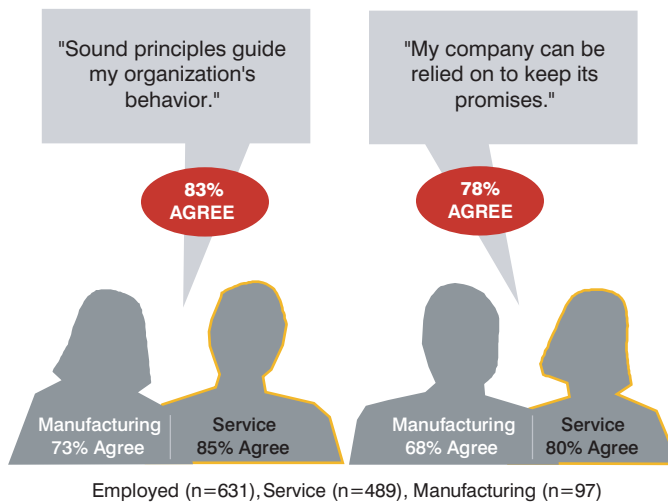
- Does the company have a stated mission, vision, and set of core values that engage the hearts and minds of employees?
- Does it motivate employees to stay? Would it challenge others to join?
- Does it provide a framework for decision making, particularly in responding to crisis?
- Are internal communications relevant to both business goals AND to the employee's frame of reference?
- Have you set measurable goals for employee alignment and tracked employee perceptions?
- Do you look at employee perceptions in light of other key business and customer metrics, to provide a holistic view?

ORGANIZATIONAL ALIGNMENT AT WIRTHLIN

Wirthlin's Organizational Alignment Consultancy helps organizations understand what drives employee decision making and provides the knowledge that helps shape crisp, clear, and impactful messages which drive behaviors that are aligned with the vision, goals,

EMPLOYEES FEEL THEIR COMPANY ACTS RESPONSIBLY

...but those in service industries are more likely than those in manufacturing industries to feel this way.



and brand. A basic principal that guides our approach is... persuade by reason, motivate through emotion. This consultancy is dedicated to counseling clients in the area of organizational and leadership development, vision development, alignment with the business and the brand, employee and leadership communications, recruitment, and retention.

Bruce Tedesco, president of Tedesco Analytics Inc., teamed with Wirthlin on developing the loyalty framework. Bruce specializes in applying advanced scientific technology to marketing data. Over the

past 30 years, he has pioneered the use of complexity science, neural networks, and artificial intelligence as resources for market researchers.

For more information about this report or how we can help you, please contact Carol M. Gstalder, Leader of the Organizational Alignment Consultancy, at 419.539.7359 or email cgstalder@wirthlin.com.

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