

Managing Change & Communication

ERC Survey Briefing - March 2009

Overview

Northeast Ohio organizations are dealing with challenges including managing change and communicating effectively, particularly if they've needed to reduce or restructure their workforces. In order to manage change and communicate effectively, organizations are faced with addressing employee concerns, using the right tools and people to communicate different messages, and implementing sound change management practices. In March of 2009, ERC conducted a survey on how organizations in Northeast Ohio are managing change, particularly during these economic difficulties. The survey sought to explore workplace practices related to change management and communication. The study confirmed that a variety of best practices are being used to effectively manage and communicate change among local organizations.

Key findings in the survey:

- Job security, benefits, and compensation and rewards are top employee concerns.
- Organizations are taking a variety of steps towards positive employee relations to help address current employee concerns.
- Organizations are enhancing communication, particularly regarding organizational performance.
- Email, group meetings, and staff meetings are the most common forms of employee communication in regards to organizational changes.
- Among organizations that have experienced a major change, such as a reduction in force, most have communicated reasons behind change, allowed for employee questions about change, offered employees opportunities to provide feedback, and recognized key accomplishments.

Addressing Current Employee Concerns

Employees are most concerned with issues related to job security, benefits, and compensation or rewards, moderately concerned with organizational performance and base pay, and least concerned with customer or product issues and development or advancement.

Figure 1 | What are the top three issues that employees seem most concerned about?

Primary Employee Concerns	Percent
Job security	92%
Benefits	44%
Compensation or rewards	44%
Organizational performance	27%
Base pay	25%
Retirement	21%
Workload	19%
Development or advancement	13%
Customer or product issues	10%

Based on these concerns, organizations are taking a variety of steps to reduce employee anxiety, increase communication, and maintain employee engagement. Practices range from soliciting employee input for cost-savings strategies to providing economic tips and financial planning resources.

Figure 2 | What steps is your organization taking to address the employee concerns?

Steps Taken to Address Concerns	
Initiating a monthly employee appreciation event	Actively seeking sales leads in non-traditional product lines
Town-hall meeting with CEO on status of jobs, structure, and future plans	Providing financial planning resources to employees
Reminding employees about employee assistance program	Continually discuss what steps to secure future business
Opening up dialogue with employees for them to address concerns	Focusing on quality issues that improve department performance
Not instituting wage and hiring freezes; Maintaining salary increases and bonuses	Maintaining current staffing levels and work schedules
Developing benefit alternatives	Career planning initiatives
Providing economic tips information	Q & A updates on frequently asked employee questions
Weekly company huddles to keep employees aware of organization performance	Allowing for employee input and suggestions for cost-savings ideas
Being honest and straightforward - keeping connected	Finding other cost savings measures (double sided copies, no traveling)
Providing daily sales results	Publishing positive press

Steps Taken to Address Concerns	
Making sure management is transparent with staff	Providing monthly financial updates
State of the business briefings	Increasing programs and events to increase employee engagement and loyalty.

Enhancing Communication with Employees

Organizations have enhanced communication on organizational performance, job security, customer or product issues, and benefits. Organizations also mentioned increasing communication about cost savings measures and current legal issues.

Figure 3 | Has your organization enhanced communication with employees on any of the following topics?

Topics	Percent
Organizational performance	66%
Job security	55%
Customer or product issues	55%
Benefits	41%
Compensation or rewards	38%
Workload	31%
Base pay	14%
Retirement	10%
Development or advancement	7%

The most common tools used to communicate organizational changes with employees include group meetings, staff meetings, and general email. Fewer organizations use telephone, newsletters, and formal letters.

Figure 4 | What tools does your organization use to communicate organizational changes with employees?

Communication Tool	Percent
Group meetings	87%
Staff meetings	84%
General email	79%
Bulletin board	74%
One-on-one meetings	71%
Intranet	53%
Personal email	47%
Memo	45%
Letter	34%
Newsletter	33%
Telephone	21%

Depending on the communication tool, HR, supervisors, or senior leaders are responsible for the communication effort. Senior leaders more commonly communicate in group or staff meetings, supervisors commonly communicate through one-on-one meetings, and HR communicates using the organization's Intranet, newsletter, and/or bulletin board.

Figure 5 | Which individuals use the following tools to communicate organizational changes with employees?

Communication Tools	HR	Supervisor	Senior Leader
Intranet	50%	14%	36%
Newsletter	65%	12%	23%
Bulletin board	66%	18%	16%
General email	37%	22%	41%
Personal email	32%	30%	39%
Memo	46%	17%	37%
Letter	60%	10%	30%
Telephone	47%	21%	32%
One-on-one meetings	30%	40%	30%
Group meetings	28%	28%	44%
Staff meetings	23%	31%	46%

Managing Change Effectively

Organizations that have experienced organizational change have used a variety of change management practices. Most notably, organizations communicate reasons behind the change, conduct meetings to address employee questions about change, offer employees opportunities to provide feedback, and recognize or celebrate accomplishments.

Figure 6 | If your organization has experienced organizational change (such as a reduction in force or restructuring), has it used any of the following practices?

Practices	Percent
Communicating reasons behind change	87%
Conducting meetings to address employee questions about change	87%
Offering employees opportunities to provide feedback	44%
Recognizing or celebrating accomplishments	44%
Revising job descriptions	35%
Providing skill or knowledge training to employees whose roles have changed	30%
Training supervisors in handling change	30%
Giving employees time to deal with losses	30%
Involving employees in the change (providing opportunities to participate)	22%

Organizations that have experienced organizational change have also enhanced communication, transparency of decision-making, and the mission or vision for their future.

Figure 7 | If your organization has experienced organizational change (such as a reduction in force or restructuring), has it enhanced any of the following to engage employees?

Practices	Percent
Communication	77%
Transparency of decision-making	50%
Mission or vision for the future	46%
Recognition or appreciation	37%
Leadership visibility or interaction with employees	37%
Employee feedback / involvement opportunities	37%
Supervisory relations	27%
Training and development	27%
Tools to help employees manage workload	5%
Career counseling or mentorship	5%

Respondent Demographics

Figure 8 | Respondent demographics by industry and organizational size

Demographic Group	Percent
Number of Organizations	48
Manufacturing	47%
Non-Manufacturing	35%
Non-Profit	18%
1-50	9%
51-200	62%
201-500	18%
501+	12%