

Direct, Open & Honest Communication

By Bob Nelson, Ph.D.

What do employees rate as the variable most important in their ability to do their job well? Communication.

In my research, nearly all employees (95%) rated “being informed” as the most important tool they need to do a good job at work. Recent research by Accountemps concurs, finding that 48% of executives polled cite “communication” as the variable that can best impact low morale in their organization.

One of the most common errors many organizations and managers make when times get tough is to not share adequate information with employees. Sometimes, management withholds information because they’re uncertain about the constantly changing economic landscape. Other times, they try to “protect” employees from fears about the possibility of losing their jobs or senior management’s ability to effectively handle the crisis.

Too often, these well-intended actions to protect employees backfire. Closed-door meetings and hushed hallway conversations create a sense of unease among employees and lead to speculation, heightened fear and worst-case-scenario rumors. This is why it’s imperative that employees are kept abreast of management’s goals and ensuing plans. Something as simple as a company-wide meeting during which the state of the organization is presented to all employees and financial or non-financial goals are clearly addressed can make a world of difference in easing employee tensions and fears.

What’s more, being honest with employees when a firm is struggling will almost always lead to an increase in teamwork and dedication, especially if delivering the bad news is also used as an opportunity to brainstorm and communicate with employees about ideas and plans for turning things around. Bringing employees into the loop during downtimes can instill a greater sense of involvement and responsibility, which ultimately leads to increased feelings of value and trust.

Two-Way Communication is Most Effective

When discussing major issues like organizational changes, communication should be a dialogue, rather than a lecture, and questions should always be encouraged. Employees need to feel free to express their fears and concerns, and receive honest and informative responses. Feedback sessions, departmental meetings or company-wide gatherings should ideally serve two purposes: First, to gather feedback, and second, to provide information.

What to Communicate to Employees

Make sure to communicate and seek input from employees in all of the following areas of your business:

- Mission & Goals
- Financial Status
- Recent Changes and Plans
- Sales Prospects, Pipeline and Market Outlook
- Marketing Strategies, New Products & Services
- What the Competition is Doing

Communicating Bad News

It's important to remember that employees are not looking for a sugar-coated delivery of information. The best way to explain the state of an organization is in a clear, concise and honest manner. From front-line staff to mid and upper level management, everyone shares a portion of the responsibility for an organization's revenue,

performance and future. Including each employee in an honest, behind-the-scenes look at the fiscal landscape of an organization, sends the message that every single person is a critical member of the team. Feeling as though they are part of the solution gives employees the confidence they need to buckle down and do their part to pull the organization through a time of crisis.

Have a Plan to Deal with Rumors

Withholding information is a great way to give birth to rumors that spread like wildfire. Merely talking to employees can ease uncertainty and let them know that you're there to provide information, not keep it from them. Gathering the departments together and giving each of them an opportunity to share brings the entire organization together as a whole. Most importantly, employees are receiving information based on fact, not fiction, and are better equipped to move forward and make well-informed decisions.

Marty Hauser, CEO of SummaCare Inc. in Akron, Ohio, has consistently made one question a staple of his staff meetings since he started in his position: "So, what's the rumor of the week?" He usually gets a few confused looks from the newer employees, but he has been able to smash plenty of rumors and clarify any misconceptions about recent company decisions or future plans. The reality is rumors are fun and exciting; facts and truth are boring," Hauser says. "But nothing destroys an organization quicker than rumors." To combat the rumors, Hauser works tirelessly with his staff to ensure information is accurately relayed down the corporate ladder. "The best way to destroy rumors within an organization is to be totally transparent and honest and candid with the staff. As soon as we know something, as the senior management team, we expect it to be articulated down to the staff."

Effective communication is one of the most important activities a manager can do to help motivate employees, especially in difficult times. To do their best work, employees

need to know about the organization's mission and purpose, its products and services, strategies for success in the marketplace, and even what's going on with the competition. Treating employees like individuals who are part of the bigger picture by communicating honestly and openly will lead to commitment, dedication and hard work on their part, an invaluable set of traits, especially during a recession.

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