



Communication Drives Employee Engagement

The best practices of highly
effective communicators



In today's turbulent business environment, companies with highly effective internal communication programs are better placed to keep employees engaged and retain key talent, while returning value to shareholders, according to a new survey by Watson Wyatt, a leading global consulting firm. Highly effective communicators are much more likely to have a coordinated and branded approach to communicating the total value of the company's wellness benefits too.

"Effective communication helps engage employees, and that has positive implications for productivity and the bottom line," said Kathryn Yates, global leader of communication consulting at Watson Wyatt.

The **2009/2010 Watson Wyatt Communication ROI Study**, conducted in April 2009, included 328 organizations that collectively represent 5 million employees from various regions around the world.

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What is effective communication?

The research identified these best practices of companies that are highly effective communicators.

- **Highly effective communicators explain how employees will be affected as the business changes.** More than 62% of highly effective communicators have a clearly defined employee value proposition (EVP), compared with just 23% of less effective communicators. The EVP, or “employment deal,” lets employees know what the company expects from them and what they can expect from the company.

“Many companies take steps to protect their bottom line during challenging economic times, including modifying, eliminating or drastically altering their employee programs,” said Yates. “Employees will be aware that their EVP is changing—from the company culture to their own rewards and benefits. They’ll be looking to management to redefine and communicate the ‘new’ employment deal, to help them understand what they need to do differently in the future and what they can expect from the company in return.”

Wellness programs are needed more than ever during challenging times. If anything, wellness programs should be beefed up, not eliminated.

- **Highly effective communicators trust and train leaders to talk about change.** For messages about business change, face-to-face communication channels such as town halls and staff meetings are preferred over social media, the intranet, or printed materials. The survey found that 73% percent of highly effective communicators say their managers are effective at supporting the executive management vision through their actions, compared with only 29% of low-effectiveness communicators.

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“Managers need some time to come to terms with the organizational changes on a personal level before they’re asked to help employees,” said Yates. “At that point, they can be reasonably expected to communicate and endorse changes.”

Print communication remains strong for conveying benefits information, while technology (email, social media, intranet) are shown to be effective for benefits, pay information, customer service, and business strategies. Wellness program communication can leverage all avenues of communication. Managers need to be in the wellness loop, on your wellness committee, and actively engaged in promoting wellness programs.

- **Highly effective communicators follow up with measurements and metrics.** Highly effective communicators are 2 to 3 times more likely to have a documented communication strategy than low-effectiveness communicators.

“Highly effective communicators measure to see exactly what they are accomplishing at each step,” said John Finney, Watson Wyatt senior communication consultant. “Communication does not exist in a vacuum — it always serves a larger business purpose. The best-performing companies plan communication strategically, like any other business area.”

Lessons learned from the survey

- Effective employee communication is a leading indicator of financial performance and a driver of employee engagement. Companies that are highly effective communicators had 47% higher total returns to shareholders over the last 5 years compared with firms that are the least effective communicators.
- Despite all the organizational and benefit changes employers have been making in response to challenging economic conditions, only 14% of the survey participants are explaining the terms of the new employee value proposition to their employees.
- The best companies invest in helping leaders and managers communicate with employees. While only 3 out of 10 companies are training managers to deal openly with resistance to change, highly effective communicators are more than 3 times as likely to do this as the least effective communicators.
- Despite the increased use of social media, companies are still struggling to measure their return on investment in these tools. Highly effective communicators are more likely than the least effective communicators to report their social media tools are cost effective (37% v 14%).
- Measurement is critical. Highly effective communicators have formal measurements of the success of their messages.

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Next steps:

- Make sure your wellness activities are included as part of the employee value proposition. If wellness is recognized as adding value to employee engagement, you're more likely to get the management support and budget to carry out value-added programs for employees.
- Appoint a media advisory committee to measure and evaluate the effectiveness of your health promotion messages and to view them in context with your company's overall benefits communication plan.
- Something as simple as asking employees how they want to receive communication or how they heard about a wellness program can show which communication channels work best—for your company.



About Hope Health

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