

First-of-the-Year Issue

INFO HIWAY ISN'T THE REVOLUTION, SERVING FRONTLINERS IS

Computer mania seems to have overtaken pr -- but the real revolution isn't electronic communication. The reasons quickly become clear if the profession will think about its research base rather than follow the crowd:

1. **John Naisbett's dictum about "hi tech, hi touch" has not changed**, because human nature hasn't. Above all, we are social animals. That -- expressed in the ability to work together as groups -- is why *homo sapiens* has survived while far fiercer competitors like the sabertooth tiger didn't. We could cooperate in teams to do them in.
2. **Electronic communication is still just that, communication.**
 - Research has long shown people ultimately make decisions & undertake actions based on relationships (peer interactions), not just information. While communication is important to nurturing relationships, *electronic* communication mainly transfers information.
 - Such impersonal information transfer rarely leads to productive *relationships* -- any more than communicating in print, audio or video did. It cannot, since *trusting* relationships begin with face-to-face & require occasional eye contact, examination of body language, & the albeit-unconscious analysis of pheromones (yes, humans have them as well as animals; for info, contact pr@bluefin.net).
3. **Electronic communication may offer important advantages, but is an incremental change -- not a new way of life**, as some would like us to think (primarily those with something to sell!).

THE BOTTOM LINE ... is that electronic communication merely transfers **words & paragraphs** from printed page to computer screen. It still requires **reading**, so faces all the obstacles print does.

- In some ways, print may even have an advantage. A piece of paper can be put in a pile on your desk but it's still "there," nagging. Messages in a computer are totally invisible (& those who claim they cruise their files to be sure they've dealt with it all are very unconvincing -- or else have more time available than most of us do).

What is truly revolutionary is when organizations including senior managers actually focus their energies on the front line workers who produce & deliver the products & services, starting with team leaders (formerly "supervisors"). Managers have responsibilities to them, not prerogatives over them.



WHY CHANGE BEGINS WITH THE NEW MANAGERIAL PARADIGM

The attention is going to glitzy, global electronic toys, but the problem to be solved remains inside the organization -- employee & managerial communication & productive relationships.

1. Significant research & review of case after case suggests the Quality movement, re-engineering, downsizing et al have in final analysis been top-down programs which -- if they've succeeded at all -- have existed & been supported primarily at senior management level.
2. But managers are a tax on production. They don't themselves produce anything. Frontline workers do that -- the folks who make, design, sell, deliver the product or service.
3. The "management" level that matters is the team leader (formerly "supervisor") at this frontline level.

Everyone else in the organization exists to support them.

SUPPORTING RESEARCH SHOWS WHY ONLY THIS APPROACH WILL WORK

1. **Loyalty Studies.** Most workers are loyal first to their work unit, immediate colleagues & team leader. Billings' & Becker's study (pr 2/28/94) found this local commitment often more powerful than commitment to the overall organization, since that is vague in behavioral terms. Other studies suggest commitment to, say, GM, GE, the Army, the University is really only shorthand anyway for commitment to one's own portion of the whole.
2. **The Pelz Effect.** In their book *Communicating Change* -- one of the most sensible pr books in years -- the Larkins reminded practitioners of 1952 research that is particularly relevant today. Pelz set out to discover what managerial style was most effective for first-line supervisors with their employees. What he found was a force far stronger than any style:

The defining factor in whether workers have confidence in & will follow a supervisor is whether s/he is plugged in, has a voice in decisions, is listened to by senior managers.

Subsequent studies show working for such "powerful" supervisors increases:

- A. *trust* in the supervisor
- B. *desire* for communication with him or her
- C. *belief* that the info they impart is accurate

It's like the Army, where the leaders that really matter are the sergeants. They run the show. Generals wade ashore for the tv cameras, in a symbolic charade -- but the sergeants led the troops that took the beach!

3. **Communications Research Findings.** Virtually every organizational or industry study ever done finds employees' preferred source of need-to-know, and even nice-to-know, info is their immediate supervisor/team leader. Most recent TPFC/IABC study rates this at 90%, and the #2

preference, small group meetings, at 59% -- to point up the primacy of face-to-face communication with supervisors. (For a research summary of face-to-face benefits, ask pr for "JJ&W's report")

RESULTING STRATEGY is clear. Senior managers must be servant-leaders of frontline managers & their teams -- not their "bosses" or perk-laden "superiors." Yet who would deny that, in the majority of org'ns, despite all the "programs" & rhetoric, the old hierarchical system still reigns.

THE NEW MANAGERIAL PARADIGM

Until now, managers & supervisors were selected primarily for their skill & knowledge in the work their unit performed	With workers empowered & accountable, this is no longer necessary. In fact, it's counter-productive	Checking up on work done by others is obsolete, so managers/supervisors are now team leaders ...with a new focus
--	---	---

NEW FOCUS IS AN INTERNAL COMMUNICATIONS STRATEGY

If communication is what binds a group of people together & makes them into a producing organization	And if face-to-face is what employees want -- primarily from their immediate team leaders	Then the first & foremost role of all "managers" is to be communication centers
--	---	---

NEW PARADIGM REQUIRES A NEW EMPHASIS

1. 3-way communication channel: up, down, laterally	2. Coach, trainer, champion, cheerleader	3. Conflict manager (not resolver)
---	--	------------------------------------

The number 1 opportunity for practitioners is therefore:

- showing top managers how **their own interests** are better satisfied
- by treating frontliners as their **customers**, not "my people."

A CASE PERSPECTIVE: One suspects at least a reason Bob Allen split AT&T was the possibly insoluble difficulty of getting 317,000 employees around the globe connected -- as he was known to feel internal relations/communication was one of the company's biggest challenges.

- Won't e-mail, the net, the web solve this?
- Can it? Does it capture the new managerial paradigm, worker loyalty, & the Pelz effect? Or is it just an electronic version of the company publication, the memo system, the bullboard?

IS MELTDOWN COMING FROM UNMOTIVATED, UNREWARDED WORKERS?

Managers admit they are unable to engage them. And pr/internal communication deserves some of the blame, finds a survey of 611 managers & 905 workers by Kepner-Tregoe mgmt consultants. Workers & managers agree employee morale is the *lowest* company priority out of 8 listed on the questionnaire. Both agree on the top priority: customer service. Other findings:

- **Out of Touch.** Only 37% of workers feel supervisors know what motivates them to do their best work; but 44% of mgrs say supvrs do know.
- **Recognition is Major Barrier.** 96% of workers get a lot of satisfaction out of knowing they've done a good job. But when they do a job well, only 40% say they are rewarded or recognized by their supvr/mgr. The clincher: Only 49% of mgrs say they reward or recognize workers for jobs done well. *"Unless this issue is addressed, the goal of achieving a high-performance workplace will remain unattainable."*

"Unless things change in how we manage people, we may be headed for a performance 'Ice Age' in which once profitable companies remain frozen in place, unable to capitalize on new opportunities to grow their businesses," says T. Quinn Spitzer, pres.
- **Don't Feel Valued.** Not surprising with the reengineering movement, over 40% of employees say their company does not value them as individuals. Only half as many managers (21%) believe their companies do not value employees as individuals. A large gap is evident between the perceptions of employees & managers here.
- **Flow of Information Gets Very Low Marks From Workers.** Either they aren't given the info, or it's not presented in a useful fashion:
 - a) 33% say they don't receive info on the *production performance* of their site. Of those who do, 74% say it's "not at all" or only "somewhat" useful.
 - b) Info on site's *financial performance* is never received by 40%; 76% of those who do get it find it "not at all" or only "somewhat" useful.
 - c) 20% never receive info on *how the company as a whole is doing*; 73% of those who do feel it is "not at all" or only "somewhat" useful.
- **Managers Confirm Workers' Responses About Flow of Info:**
 - a) 16% say site's production info was never transmitted to employees; of those who did send info, 74% say it was "not at all" or only "somewhat" useful to workers.
 - b) 27% say financial info was never given to workers; 84% said when given it was "not at all" or only "somewhat" useful.

- c) 11% said info on the company as a whole was never given; 80% say info was "not at all" or only "somewhat" useful when given to workers.

(More from Kepner-Tregoe, P.O. Box 704, Princeton, NJ 08542; 609/921-2806)

TO AVOID LONG-TERM DISASTER, KEPNER-TREGOE OFFERS THIS ADVICE:

Install a consistent, company-wide mgmt procedure, enfolding the employer & employee in a dynamic feedback loop, linking expectations with end results in order to:

- motivate workers with recognition and consequences;
- commit the organization to its workers by equipping them with training, resources & info to do the best job;
- align performance measures with company goals;
- provide an ongoing coaching system;
- communicate clearly & specifically performance standards, rewards & consequences.

THOUGHTFUL ITEMS ON THESE TOPICS FROM SEVERAL SOURCES

¶ **Cyberspace Can As Easily Be Cyberbunk As Cybernetics.** Consider that now you can get "publicity/builder" software that includes 15 sample press releases, a prefabbed press kit, & thank-you letters to editors. "Have we become so trivialized that a client needs only a Mac?" asks our in-house cynic John Budd.

¶ **A Georgia State U Economist Complains That Internet's E-mail Is So Crowded** it's cheaper & faster to pick up a phone & call. The digerati, it's said, are falling in love with "what" instead of "what for."

¶ **Gannett Is Banking Heavily On Old-fashioned Ink & Newsprint.** Recent nearly \$2-billion acquisition gives it 93 dailies with total circulation of 6.6 million. Maybe it is prescient because US newspapers in October reported the best first-half ad revenue growth in 7 years. Yet the industry is still asking whether new tech will either put them out of biz (see next item) or change their role entirely.

¶ **Half of Today's Retail Stores Will Disappear By 2000 As Consumers Flock to "Meta-Mart,"** the commercial lanes of the info hiway, predicts World Futures Society in its '96 forecasts. Who, then, will support local media with advertising? Will they, can they find a way to exist on subscription revenues or other sources? How sophisticated will computer shopping get? You'll be able to feel the fabric of the suit you're buying, futurists claim, just by touching your tv screen. (For full report, contact pr)

¶ **The Web Already Has Major Problems.** 1) Its inventor, Tim Berners-Lee, told 4th International Web conference the problems of size demand dividing it into manageable, independent pieces. 2) IBM's John Patrick tried to put web usage into perspective: "As a percentage of the world's population, the number of people on the web [now 18 million] still rounds to zero." 3) More web sites may be shutting down than are being added, reports a panel at the Comdex show. 4) Biz & tech writer Rosalind Resnick points up the difference between students chatting via web & an org'n

maintaining a site. She quotes one analyst, "If you don't have a revenue stream from advertisers, then you need subscribers, which nobody has really figured out how to do yet on the Internet." Users for pr purposes may avoid this problem, but unless overall web develops, where's the audience?

US MANAGERS DRAG THEIR HEELS ON SHARING POWER

So reports Ass'n for Quality & Participation. This reluctance is hurting the bottom line, find studies by U So. Cal's Ctr for Effective Org'ns. Current status of moving decisionmaking from mgmt to the front lines of sales, marketing & services:

- 37% of large employee sample are not involved in employee involvement activities & have no share in managerial power.
- 31% are responsible for recommending improvements to mgmt -- but have no voice in decisions.
- Yet 83% of org'ns with power-sharing programs report "positive" or "very positive" results. Only 1% report negative experience. 16% are neutral.

BOTTOM LINE NUMBERS FROM EMPOWERING FRONTLINERS IMPRESSIVE

Companies with 40-60% of workers in power-sharing programs (high use) "consistently outperform" those with 20% or less of employees so involved (low use):

- In **return on sales**, high-use companies get 10.3% vs. 6.3% for low-use. When sales are in the millions or billions, 4 percentage points make a huge difference.
- In **return on assets**, spread is 6.9% vs. 4.7%.
- In **return on investment**, it's 14.6% vs. 9%.
- In **return on equity**, difference is 22.8% vs. 16.6%.

In the face of such data, why would any mgmt avoid power sharing with frontline supervisors & workers?

CONCLUSION

There is no magic bullet, no easy way out. Mass publicity wasn't one, electronic communications isn't either.

It may end up bringing great advantages -- such as instantaneous interactive communication despite geography. Of course, we already have long distance phone & teleconferencing....

The situation appears to be that we are forced to do the hard work: Getting to know people, and earning their trust. Cyberspace won't do that.

