

2009/2010 Communication ROI Study

Advance Highlights

About the Survey

A total of 328 employers from North America, Europe, the Middle East and Australia took part in the study, from late-April through mid-June, 2009. Later this year, we will release a report on the full study findings. In this advance report, we focus only on findings regarding internal communication related to the economic downturn.

Executive Summary

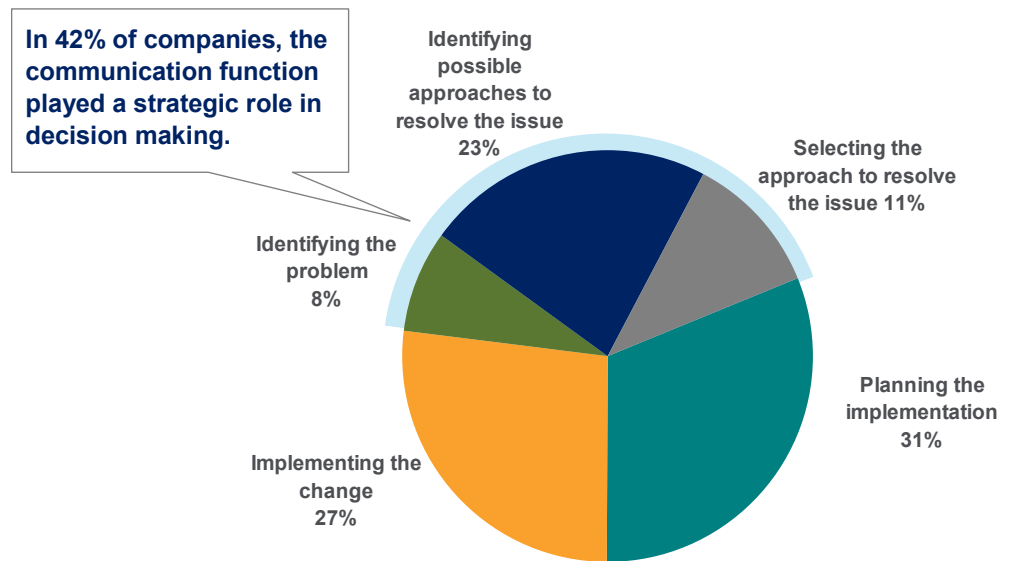
Since the economic downturn began, only about one-third of the study participants have communicated to employees about how the economy is affecting their pay and benefits – the things that affect employees most personally. And only 14 percent are explaining the terms of the new employment deal. It is encouraging, however, that half of the companies plan to communicate with workers about the impact of the downturn on the business, going forward.

Additionally, we found considerable differences in the goals of downturn-related communication among the world regions and among the areas of the organization that lead the communication effort.

When companies underwent some type of organizational change, the communication function often was involved at the strategy-development stage.

In four out of 10 companies, the internal communication function helped to develop strategy for making organizational changes. However, in more than half of participating companies (58%), professional communicators didn't become involved in the change process until implementation planning began.

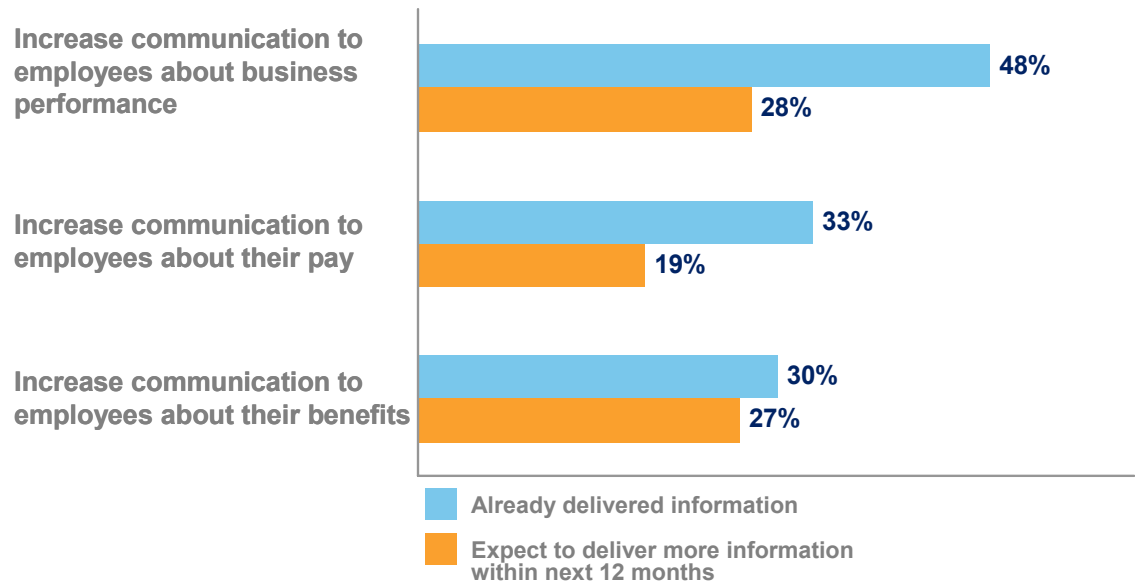
Figure 1 | Phase at Which Communication Function Became Involved in the Change Process



Many companies aren't explaining the impact of the economic downturn on pay and benefits.

Though three-fourths of companies have communicated to employees about the organization's business performance or plan to do so within 12 months, a considerable number of companies aren't making the connection between the business results and the things that affect workers most personally: pay and benefits.

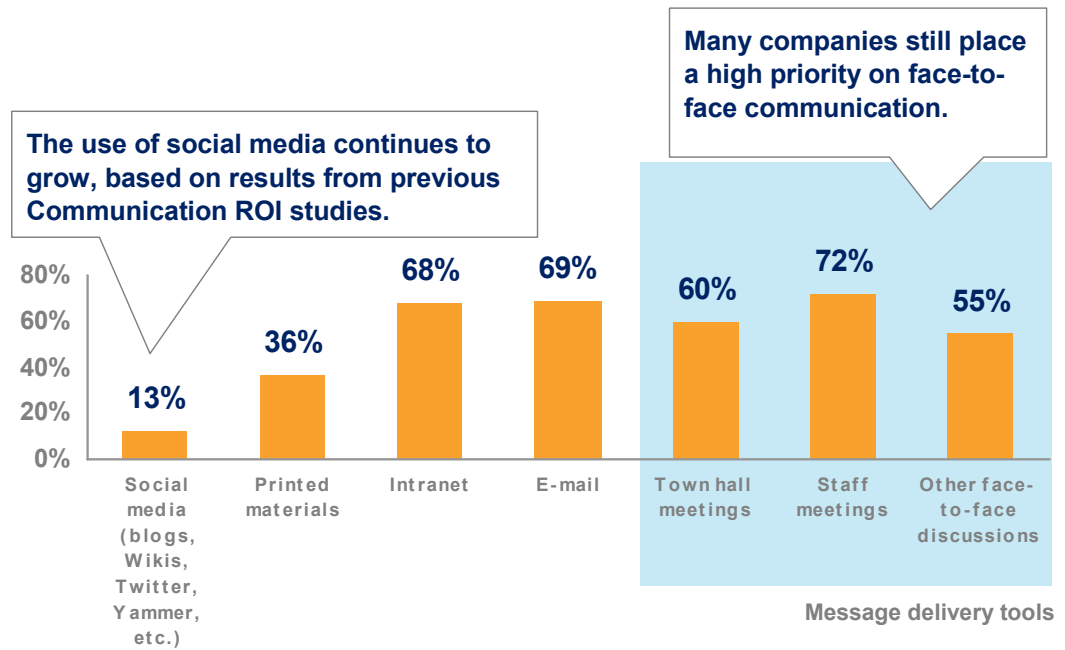
Figure 2 | Changes in Employee Communication due to the Economic Downturn



Companies are using a variety of approaches to communicate to employees about the economic situation.

The rising use of social media corresponds with increased usage in the culture at large. However, face-to-face communication – for messages related to the economy – is still very popular.

Figure 3 | Use of Communication Channels/Tools to Deliver Messages About Economic Conditions



The focus of communicating about the downturn varies, depending on which areas of the organization lead the communication effort.

When senior leaders deliver messages to employees about the impact of the downturn on the business, the goal is predominantly to ease employees' stress. But line managers are more concerned with improving employee engagement. Only a few leaders in any category are attempting to educate employees about the impact on their benefits or to improve productivity.

Figure 4 | Goals of Internal Communication Regarding the Economic Downturn

	Those taking the lead in delivering messages to employees about the impact of the economic downturn on the business			
	Senior Leadership	Corporate Communication Function	HR	Line Managers
Ease employee stress/anxiety	49%	45%	36%	34%
Manage change	40%	33%	38%	24%
Improve employee engagement	33%	49%	29%	42%
Retain top performers	23%	21%	29%	26%
Earn employees' trust	19%	17%	17%	18%
Improve employee productivity	15%	16%	17%	18%
Educate employees about impact on benefits	8%	10%	14%	24%

There are significant differences across world regions on the goals of internal communication when it comes to the economic downturn.

Whereas Europe-based employers are most concerned about earning workers' trust and improving engagement, employers in North America and Australia are more focused on easing employees' stress. And very small percentages of employers in all regions are attempting to educate employees about the affect of the downturn on benefits. Regional differences for other survey questions will be explored in the full report to be published later this year.

Figure 4a | Goals of Internal Communication Regarding the Economic Downturn, by Region

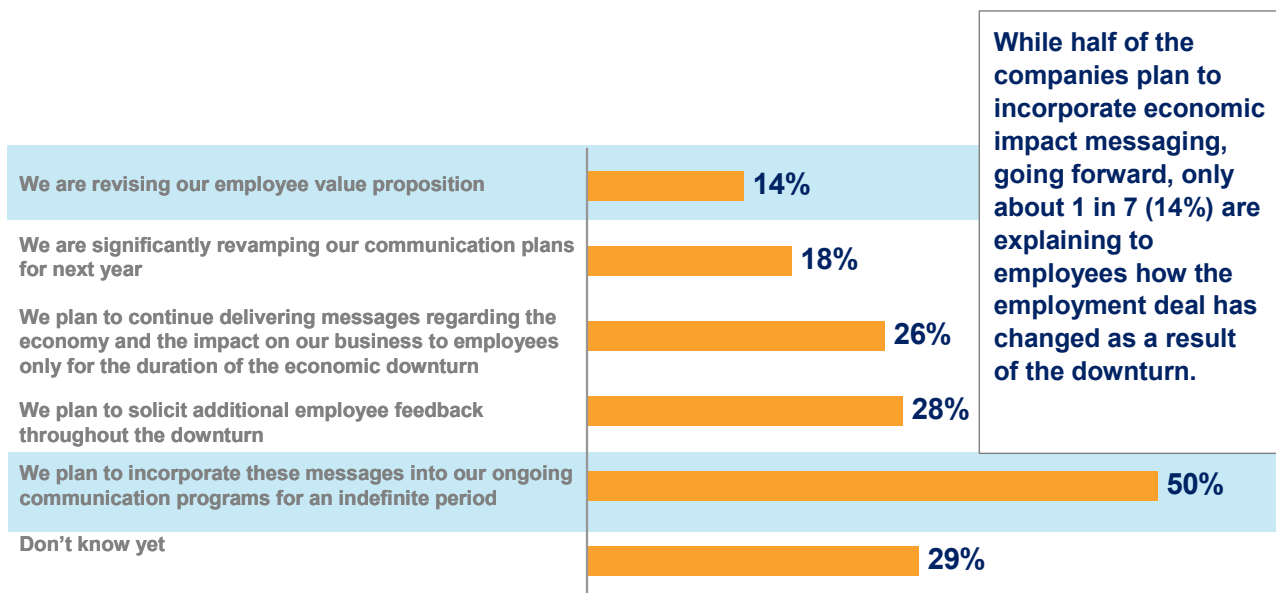
	All Respondents	Australia	Canada	Europe	Middle East	United States
Ease employee stress/anxiety	45%	48%	63%	26%	42%	49%
Manage change	37%	60%	35%	38%	27%	40%
Improve employee engagement	36%	32%	35%	44%	22%	40%
Retain top performers	23%	12%	29%	19%	30%	23%
Earn employees' trust	18%	16%	15%	39%	16%	10%
Improve employee productivity	16%	16%	8%	16%	24%	15%
Educate employees about impact on benefits	10%	0%	4%	8%	23%	9%

Very few employers worldwide are attempting to educate employees about the affect of the downturn on benefits

Planning of communication related to the downturn is a good news/bad news situation.

The good news is that companies are integrating messages about the economic situation in their communication plan, and expect to continue to do so. Not as good is the apparent dearth of information about how the employment deal has changed due to the downturn. Only 14% of companies are revising the details of what workers can expect from their employer and what the company can expect from employees in return.

Figure 5 | Impact of the Economic Downturn on Communication Planning





Conclusion

During the past year, employers across many industries have encountered significant challenges in dealing with the global economic downturn. And while there are some encouraging signs, some experts predict these challenges will be with us well into 2010 and beyond. In response, many companies have downsized their workforces, frozen or cut pay, implemented mandatory furloughs, or reduced or eliminated benefits. Messages to employees explaining these changes have not been easy to deliver. Employees are concerned and confused. They don't know what all this means for their future or when the next take-aways will come along.

To their credit, some employers have been proactive in explaining the rationale for these organizational changes to employees. However, our study found that few companies are putting these myriad changes in context for their workers – and redefining the employment deal. The “good old days” of a few years ago are gone; business and benefits as we knew them have changed for good. It's important for workers to understand the situation and remain fully engaged, for their employers to be at the leading edge of the recovery.

Now is an excellent time for employers to use communication to help workers understand and accept the new employment deal, and to clearly outline what individual employees and the company can be expected to contribute as we transition to a new, leaner way of doing business.

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