

Communications Failure

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The CEO was furious. He was depending on a new employee benefits program to help control costs. It wasn't as generous as the old program, but it was flexible and with homework, an employee could get 98 percent of previous blanket benefits through choosing coverage options. The company needed employee acceptance of the program to rein in healthcare expenditures especially. But, here they were six months into the rollout with huge complaints about it. Employee morale was suffering. The CEO was distracted. Senior leadership was disgusted.

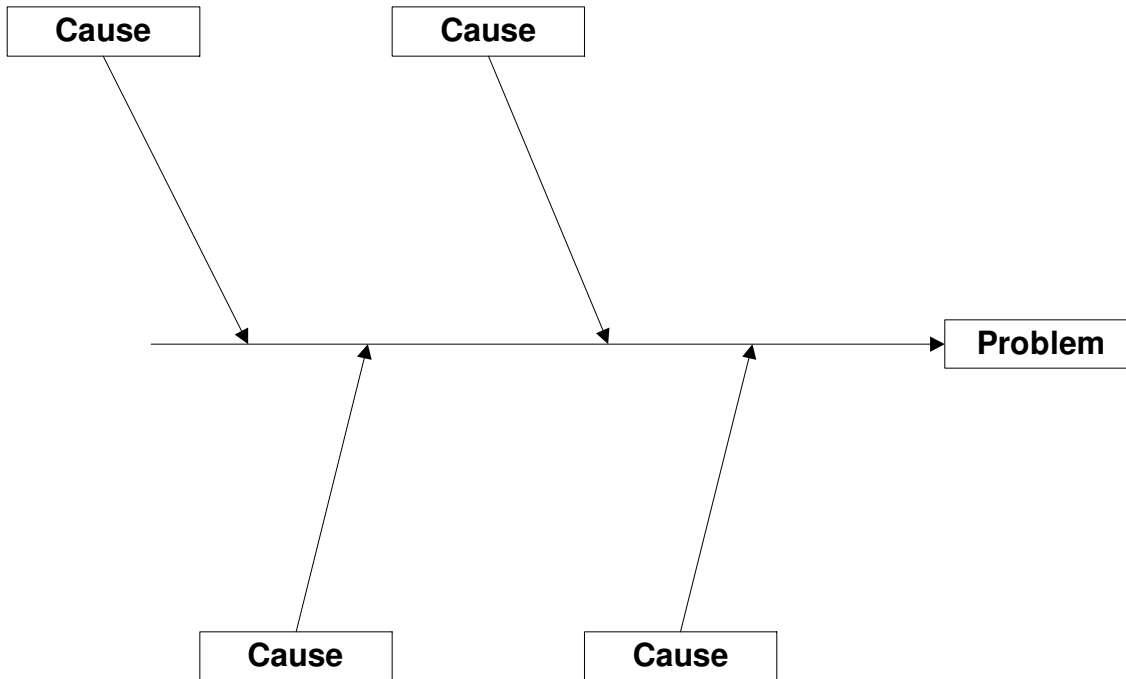
The CEO called the VP of HR and senior corporate communicator to his office. "Find out what went wrong," the CEO growled, "and fix it." There wasn't going to be a third chance if a second communications campaign failed. Both would be looking for jobs. The two went back to their offices with questions swirling in their minds. Were materials too difficult to understand? Did employees ignore town hall meetings? Were employees simply opposed to any new system? Were options too complicated? Did they reach the wrong people with messages and training? Were pretests of materials and media wrong?

Later in the day, the VP of HR called the senior corporate communicator and asked her to stop by. The meeting wasn't going to be pleasant, but then the VP of HR had decided on most of the communications program elements. When the head of corporate communications arrived at the VP's office, she was surprised to find a company engineer there as well. "I've asked Marcia to stop by," the VP said, "to help us determine what went wrong." Marcia specialized in failure analysis and spent most of her time examining why parts disintegrated, bolts fractured or assembly lines went awry. What could Marcia bring to the discussion? Marcia said it was possible to use failure analysis techniques to find out what had gone wrong with a communications campaign. She began by describing her discipline.

Failure analysis

Marcia explained that failure analysis is a disciplined approach. It collected and examined data to determine the cause of a failure and how to prevent it from happening again. While it was mostly used on materials failures, it was also applied to processes, such as operations. She felt it could be useful too for communications. Failure analysis is a collection of techniques to perform rigorous and logical examinations, and there are many types of failure analysis tools, such as:

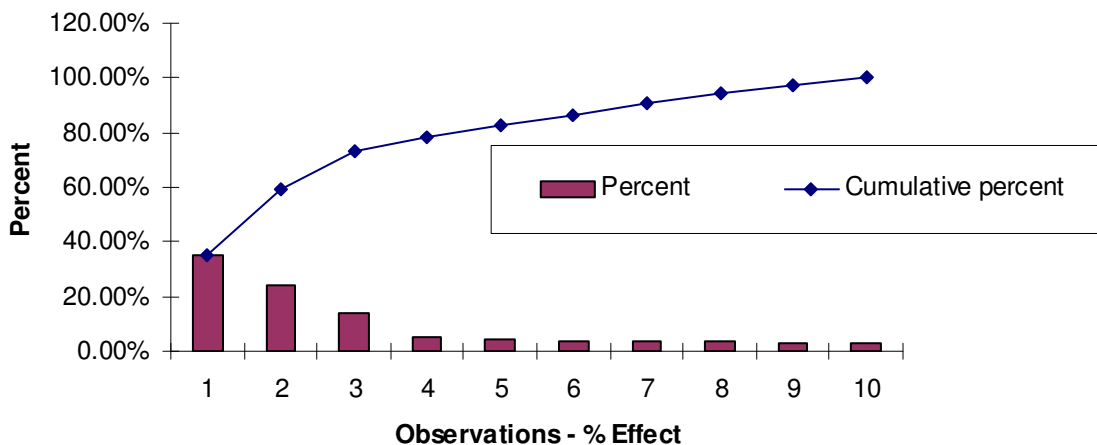
- Ishikawa diagram, also called a fishbone diagram that traces cause and effect. (She drew one on the VP's white board. It looked like this.)



The Ishikawa diagram states the problem in the right hand box then lists all potential contributory causes of the problem along the fishbone lines. Typical contributory causes for a service industry might be price, promotion, people, processes, place/plant, policies, procedures and product or service. Details of each major cause would be listed as branches from cause lines like the branches of a tree.

- Pareto charts that highlight the 20 percent of items that cause 80 percent of the effect. She drew a diagram like this.

Pareto Chart



A Pareto chart ranks the percentage contributions to a problem from largest to smallest then cumulates them to 100 percent. The analyst concentrates on items that add up to 80 percent. In this example, four items out of 10 add up to more than 80 percent of the observed effects.

- Five Whys to find root causes of the problem. Start with a problem and ask “Why” each time a cause is found until one reaches the root cause.
- Root Cause analysis: A process of problem definition, evidence gathering, identifying causal relationships, identifying causes to remove to prevent recurrence, identifying solutions, implementation of solutions and observation to ensure effectiveness.
- Root Cause Questions: “What is the problem to be analyzed? (Problem Definition). What is the significance to the stakeholders? (Significance). What are the causal relationships that combined to cause the defined problem? (Problem Analysis). How are the causes interrelated? (Causal Chart). What evidence is provided to support each cause? (Cause Validation). What are the proposed solutions to prevent recurrence? (Corrective Actions). What assurance is provided that the solutions will prevent recurrence? (Solution Validation).”

Marcia stopped talking about failure analysis and looked at the VP HR and corporate communications leader. “Where would you like to start?” She asked. They looked bewildered. Marcia answered her own question. “Let’s try ‘5 Whys.’” She explained that it was the fastest way to tackle the communications problem given what was known about it. She went to the whiteboard and picked up a marker. “What is the problem?”

5 Whys

The VP HR and the senior corporate communicator glanced at each other. The problem was obvious: Implementation of the new employee benefits program was a failure. Marcia, being an engineer, did not accept the answer. “Was the program itself and its elements a failure?” She asked. “Or, was it something else?” The VP HR said that the program was no different than hundreds of other employee benefits programs that had been installed throughout the US. It was tested and the HR department had coordinated closely with service suppliers to make sure it worked. There had been few complaints among those employees who had adopted the system willingly. “What failed then?” Marcia asked. After further discussion, they determined that the communications of the program had failed.

“Why?” Marcia asked. “Employee surveys indicate that no one understands it,” said the senior corporate communicator.

“Why?” Marcia asked again. The VP HR said employee surveys showed a number of complaints. Material was too difficult to read. It was too hard to make decisions. The wrong persons may have in the town hall sessions. (Often, one member of a family pays attention to benefits and that person might not be employed by the company.) Online and telephone help was inadequate. None of the complaints made much sense to either the VP HR or the senior corporate communicator, except the last.

“Why?” Marcia asked. They explained that the VP HR with a consultant and corporate communications had written and pre-tested program language with multiple sets of employees, and the employees seemed to understand it. It was unclear why employees were complaining about brochure and web page explanations, but informal investigation seemed to indicate most employees gave up reading the material within one or two pages. The VP HR said surveys showed employees didn’t want to think about benefits. As for the wrong people in town hall meetings, the VP HR said he was well aware that benefits decisions are often discussed and decided outside of the workplace. That is why the company offered online and telephone help. However, the vendor providing online and telephone help had failed to live up to promises at the beginning. The vendor subsequently restructured the help system and was doing much better.

“Why?” Marcia asked. The senior corporate communicator said the first two pages of material explained the concept behind the benefits program and emphasized the choices one would need to make. Employees were complaining that choices were confusing. Employees were used to the old “blanket” benefits program that had always been there and which they didn’t have to think about. As for online and telephone help, perceptual damage had been done during the primary enrolment period and employees were now convinced that help line was inadequate.

“Why?” Marcia asked. After some discussion, both the VP HR and the senior corporate communicator agreed that a root cause was resistance to change. Employees were opposed to any changes in the program whatsoever. The vendor underestimated the resistance to change and subsequently understaffed the function that would have been ordinarily sufficient. Because employees were resisting change, any situation supporting their resistance was elevated to a major problem.

“Why?” Marcia asked for a sixth time. Both the VP HR and the senior corporate communicator agreed that the corporation hadn’t done a good enough job in preparing employees for the change in the first place. Employees had not understood the cost impact on the corporation if benefits weren’t controlled. There was no urgency among employees and no personalized reason for the change. The VP HR had had detailed discussions with the union representatives, but these apparently weren’t passed down to shop employees. The CEO’s concerns about benefit costs had been discussed in detail with senior leadership, but the discussions had apparently stopped there. The employee publication had discussed the benefits plan and changes in depth but not the reasons for it.

Marcia put down her marker. “The question now is what to do,” she said, then excused herself. “I’m an engineer. I don’t do communications.”

Searching for a solution

Both the VP HR and the senior corporate communicator knew well that there is no second chance to make a first impression. They couldn't start the program over and lay the groundwork for the change. The company's credibility had already been damaged. The corporation would either endure the barrage of criticism and sustained ill will or somehow, help employees adapt. They knew living with the anger wasn't going to help either of them or the company. Eventually complaints would die, but there would be residual hostility that would harm company negotiations in the future and might cost the company talent who would jump to a competitor. They agreed that employees needed to understand the competitive and cost-control problems the company was facing and subsequent plant closures and layoffs, if the company failed to adapt. They knew there would be no way to allay all the anger, but they had to get enough support to win back corporate credibility, albeit grudgingly.

They discussed three options:

- A progress report that highlighted the positives of the benefits program with success stories of employees who had enrolled, case studies and packaged solutions. However, disaffected employees would call it corporate propaganda. The company would seem oblivious to the anger and confusion of employees. It would smack of paternalism and most likely not carry the day. They agreed, however, that it should be tested.
- A second wave of communications built on the first. It would include success stories of employees to show that the program does work, but it would work in the cost-control themes heavily and have the CEO and senior leaders be lead communicators. The problem with this approach was that the cost-control message might seem out of place and not credible. On the other hand, they felt it might be possible with small-group meetings and strong communications materials. Meetings of 25 or so employees at a time might provide more time for Q&A and venting without anger radiating through a larger group. This too would need careful testing with no room for failure.
- A CEO, senior-leadership campaign to explain the need to control benefits but no further communications about the benefits program. This did not seem promising. Employees would ask why the company didn't tell them about cost pressures in the first place. Moreover, there needed to be a reason to have the CEO and senior leadership speak on the topic and the reason would have to be compelling. The VP HR knew a small number of layoffs were coming in one of the company's four divisions. That might be a trigger except that layoffs had little to do with benefits. The corporate communications leader said the CEO talked frequently about the need for cost control. He could preface his remarks with examples of competitors who had already made major benefits program changes and still done layoffs because of expenses. They agreed this was a politically difficult solution because the CEO and senior leaders would balk if they

had to put themselves in an awkward or apologetic situation of answering employee complaints about specific benefit program features.

A new communications program

After testing, the VP HR and corporate communications leader decided to try a second wave of communications with small-group meetings as the primary way of getting the cost-control message out. It wasn't a perfect solution, but it seemed to have the best chance of working. It would require a great deal of the CEO's time initially, and he would have to agree to be present at meetings. It would be all consuming for the VP HR for several weeks. There were enormous logistics problems to having small group meetings. It was impossible to have the entire company run through in small groups. It was too large. The CEO or senior leadership could only appear at some of the meetings. What should they be? Since employees wanted to hear from supervisors first, the VP HR decided that CEO and senior leadership would appear before managers who headed departments of 50 or more employees and would take questions from them with support from HR.

The outcome.

The VP HR rolled out the second wave of communications over three months. As expected, initial meetings were hostile, and managers were blunt about their feelings, but word began to percolate that the meetings were clearing the air. Later meetings were more routine and most questions already answered. Coverage of the meetings and questions in the employee publication also served to lower resistance. A year after the initial hostile reaction, there was acquiescence to the new benefits program. The VP HR resolved never again to initiate a major change without explaining in depth and at length why the company was making it.

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