



Trends

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Six Communication "Secrets" of Top-Performing Employers

Six communication practices distinguish high-performing companies from their competitors, according to a December 2007 study by Watson Wyatt, a global consulting firm.

The 2007/2008 Communication ROI study found that companies with the most effective communication programs had a 47 percent higher total return to shareholders from 2002 to 2006, compared with companies that communicate least effectively. Moreover, those companies are four times as likely to report high levels of employee engagement as companies that communicate least effectively.

The study identified six practices of high-performing companies as follows:

- Focusing managers and other employees on customer needs.
- Engaging employees in running the business.
- Helping managers communicate effectively.
- Leveraging the talents of internal communicators to manage change effectively.
- Measuring the impact of employee communication.
- Branding the employee experience.

"Top-performing companies treat communication as a key business driver," said Kathryn Yates, global director of communication consulting at Watson Wyatt. "They use communication to educate managers and engage employees in the business by providing line-of-sight to customers' needs and business goals. Furthermore, by gaining insight into what top-performing companies are doing, employers can reorient their communication programs, brand their employee experience and make a difference in their business results."

Other significant trends from the study included the following:

- More companies are communicating directly with employees on how their actions affect the customer. The percentage of companies consistently providing such feedback increased from 21 percent in 2003 to 39 percent in 2007.

- Fewer than one in five respondents let employees weigh in on decisions that affect them. Still, top financial performers are 10 times more likely to invite employee feedback.
- The percentage of companies treating managers as a distinct and important audience for advance communication increased 7.5 percent, with the top financial performers 50 percent more likely than others to provide such information.

“Effective communication programs address the whole gamut of employers’ relationships with employees and help engage and motivate workers,” Yates said. “This is not just a ‘feel good’ exercise. Companies that communicate effectively with employees have an engaged workforce and superior financial results.”

Excerpt from Industry News, Talent Management Magazine, December 2007; <http://www.talentmgt.com>. For more information contact: <http://www.watsonwyatt.com>.