



How the HR function can partner with other business functions to realize strategic potential

# HR and communication: partnering for business results

Today's leaders are being challenged more than ever – to deliver results quickly, to retain an edge for their organization, to keep an often cynical workforce engaged. For much of the 1980s and early 1990s, corporate leaders turned to their heads of the finance and legal departments for help in deciding how the company would deliver results. Today, however, an increasing number of leaders understand that achieving sustainable business success starts and ends with getting employees rallied behind them and what they're trying to achieve. This becomes even more critical during times of restructuring, downsizing or other internal tumult. Easily said, but how do you do it? It begins by partnering the two functions that hold the keys to tapping into what makes employees tick: human resources and communications.

This is more than just an academic proposition; such a partnership, forged and driven by Matha MacDonald, helped to produce breakthrough business results at a major corporation in North America that many described as unsalvageable. After a decade of gut-wrenching restructuring and complete lack of energy to focus on culture and employee motivation, this *Fortune 500*

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heavy manufacturer had little of the sense of crisis that could spur productive change. Instead, employees – from management to front-line workers – had seen survival as the only goal. The company's payroll had been cut down to around 15,000 employees from an all-time high of over 100,000, causing deep distrust in management and the company's future in general. In addition, restrictive work rules discouraged teamwork and innovation, and first-time quality was low.

Despite these hurdles, a highly successful culture change took root and flourished. Employees felt like winners again and the bottom line showed it. At the heart of these results were programs developed jointly by the HR and communications functions who had the greatest intuition about and knowledge of the company's employees. The partnership succeeded because it created cross-functional teams that broke down silos and got the company focused outward on the competition, rather than inward.

### Reconnecting with employees

The human resources and communications partnership began when one of the company's largest facilities decided to take action to improve poor quality and delivery-credibility scores that made it unable to compete. Realizing something had to change, operations began working with communications and human resources professionals, as well as other senior

managers at the corporate level, to begin creating a different experience for employees.

The communications team set up focus groups in order to understand what the motivating factors were underlying employee performance. The questions asked were:

- what stood in the way of improving quality?
- what were the obstacles to reducing costs?
- what prevented people from doing the best, most efficient job?

These focus group sessions revealed that employees had a clear understanding of what needed to be done for performance turnaround, but they possessed little confidence in management to actually act on their suggestions. The average length of employment was over 20 years, so discussions of change were not unfamiliar, but these employees rarely saw any positive results from their effort to communicate their perspectives and experience with management.

### A template for the future

Further research included employee surveys, one-on-one interviews and industry-wide benchmarking. After this, managers from all over the organization were then asked to create a template, one that looked at the current culture in their operations and then articulated the desired culture. Part of the template was to identify obstacles to change and the



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measurements needed to assess the progress toward transformation.

These templates, though quite simple, went a long way in communicating to managers that change was in their hands, not senior leaders'. As managers drew up their desired culture and the measures to assess that culture, it was clear that the company had a new way of thinking: company leaders were looking at the context that surrounded the bottom line, and trusted the heads of operations to tell them how to improve that context for better business results. Top-down restructuring was out, and bottom-up change initiatives were in.

### Partnership to deliver

While the broad culture change work netted significant business improvements for the company, its customers (and potential customers) still viewed its products as unexciting and dated. The time came to develop and launch the company's first new major product line in over two decades that would be the true test of whether the improved culture and changed thinking at all employee levels could deliver breakthrough business results.

This is where cross-functional work spearheaded by human resources and communications was especially critical. Not only did corporate functions begin working better together toward a single goal (to become an industry leader), but they also began working more productively with their counterparts in the field. Human resources and communications worked to ensure the right things were being measured, communicated and rewarded. Above all, they helped senior management "invert the pyramid" by creating the mindset that corporate headquarters was there to support

those making the products, not vice versa.

### Defining the roles

Human resources ensured that performance evaluations and compensation increases were based on the performance results due to productive engagement, not just the mere act of engagement. In turn, communications strove to keep positive change going by highlighting the behaviors needed to make the product launch successful and provided numerous forums for employees to seek out the information they needed to understand how the production changes would affect their daily tasks.

### Driving change

The cross-functional teams driven by human resources, communications and operations accomplished the following:

- involved employees in the massive production process changes needed for the new product to ensure the company benefited from the knowledge and experience of the people who made the products day in and day out;
- enabled senior leaders from corporate to meet with frontline employees to hear their concerns about the new product launch and answer questions. These meetings also led senior executives to make decisions more likely to support those people actually building the product;
- created measurement tools that uncovered statistically-proven causal links between behavior and its impact on key metrics;
- worked with corporate headquarters to create a common understanding of the metrics used to run the business;
- provided coaching and formal training to operations managers and their

staffs to help them be effective coaches and teach others how to coach;

- focused on supervisors as the preferred sources of information to the front line and that set them up to succeed as leaders of their teams.

### The results of partnership

The cross-functional approach led by human resources and communications helped to create an environment in which first-time quality increased by 70 percent, cost reduction targets were exceeded, and managerial overtime decreased. The product launch succeeded to the point that the company had captured over 50 percent of the market share in the product's first month of availability. In addition, employees are once again proud to work for the company and are more focused on delivering products that exceed customers' expectations.

So what really made the difference? Certainly the company achieved its numbers, but it didn't get there by driving the numbers – rather it got there by motivating its employees. Human resources and communications worked together to engage employees' hearts and minds so they could contribute their talents to the bottom line. The partnership helped this company achieve great success against tremendous odds, proving the words of anthropologist Margaret Mead: "Never doubt that a small group of thoughtful, committed people can change the world; indeed, it is the only thing that ever has."

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