

**COMMUNICATING ORGANIZATIONAL CHANGE:
INFORMATION TECHNOLOGY MEETS THE CARBON-BASED EMPLOYEE UNIT**

Joseph G. Wojtecki, Jr., and Richard G. Peters

Abstract: Change is a constant reality in today's workplace, causing substantial psychological stress within a workforce concerned about its livelihood and quality of life. Against this backdrop enters the Information Technology (IT) explosion, bringing its unprecedented capacity for disseminating information. Many managers are embracing e-mail, intranets, and other technological innovations as efficient solutions to the high communication demands during times of change. However, simply making information available is not the same as communication. People under stress can lose as much as 80 percent of their ability to process information. Situations in which concerns are high and trust is low, call for as much attention to the methods of communicating as to the messages.

This article offers insights into why human resources need more low-tech communication during times of change. The research on risk communication provides non-traditional and sometimes counter-intuitive principles for avoiding some familiar pitfalls to effective internal communication.

Two powerful forces are surging through American enterprises with accelerating velocity: organizational change and information technology (IT). In the wake of organizational change often lies a workforce in turmoil, shaken by loss of employment security and loss of loyalty to seemingly uncaring employers. For all its capacity, information technology provides only limited relief for the anxieties and frustrations of human resources burdened by change.

There are costs in productivity and competitiveness, often hidden, caused by this psychological drag of constant change in the workforce. The question is whether effective internal communication lessen the negative impacts of change on the workforce. If so, what part can information technology play in this?

INTERNAL COMMUNICATION: FORM AND SUBSTANCE

The constant pressure to do more with less as organizations downsize naturally drives a quest for efficiency in all processes and activities—including communication. Under such pressure, the efficiencies inherent in new information technology (IT) applications, as high-tech means for disseminating information, appear seductively attractive to busy managers. Vast amounts of information can be disseminated to most of the workforce almost instantaneously.

“This is good,” the busy manager reasons, “so long as we are disseminating the right messages.” The underlying premise is that simply making information available is communicating. If the substance of the message is right, and it is efficiently disseminated, then the manager assumes that he or she has communicated. However, the form of communication is critically important for meeting the needs of people experiencing the stressful effects of change. While IT capabilities have evolved exponentially, psychologists question whether the human brain has kept pace. In fact, research suggests that our minds remain hard-wired essentially as they were in the Stone Age and we cope with the world and its threats much as our early ancestors did. (Nicholson, 1998)

It is in this “human” dimension that the efficiencies of IT applications become mired and fall short of meeting the workforce’s crucial communication needs during change. Research by Covello (1991) and others has found that people under stress, that is, those who feel threatened or put at risk by some force beyond their control, experience “mental noise” that can cause them to lose up to 80 percent of their ability to process information. Furthermore, the remaining 20 percent of processing capacity most often will be focused on issues of high personal concern to the employee, rather than on issues deemed important by management. These principles explain why employee responses to information sometimes seem irrational.

This reality has clear implications regarding over-reliance on IT for communicating change: Because people under stress can process a normal load of information at only 20 percent efficiency, little is gained by increasing the efficiency at which information is disseminated. To achieve more successful outcomes during periods of change, a company's management must focus on low-tech communication—especially face-to-face dialogue—about high concern issues in order to overcome mental noise.

ADAPTING RISK COMMUNICATION TO ORGANIZATIONAL CHANGE

The Power of Perception

The foremost principle of risk communication is that “perception equals reality.” In other words, what is perceived as real is real in its consequences. Employees react to perceived threats, rather than to “reality.” Their level of stress during times of change is proportional to their perception of threat. From management's perspective, employees sometimes appear to overreact – even to act in an irrational manner. However, from the employee's perspective the behavior is perfectly rational, given the perceived magnitude of the threat.

Thus, when workforce response to information seems irrational, management must check its own premise and seek to understand the perceptions they have somehow created. Risk communication research has identified more than twenty factors affecting perceptions of threat (Covello, 1991). Knowledge of these factors can help managers anticipate and adjust for them, especially in the way they communicate information.

Trust and Credibility

Perception of threat is a powerful source of mental noise—psychological barriers—impeding communication. Trust and credibility—the goals of all risk communication—can overcome these barriers. The determinants of trust will be discussed in greater detail a bit later. First, it is useful to examine how organizations create credibility that leads to that employee trust.

Within every organization, as within any segment of society, there exists a credibility hierarchy. In terms of employees' preferred sources of information, that hierarchy often breaks out as follows, according to research by Foehrenback and Rosenberg (1983):

- *Supervisors:* More than 90 percent of employees surveyed named their first line supervisor as the preferred source of information.
- *Top Executives:* Just over half of those surveyed named top executives of the organization as a preferred source of information.
- *Union Representatives:* Fewer than 30 percent named union representatives as a preferred source of information

[Note: Respondents were permitted more than one response.]

To the extent that a preference for a particular source for information is a measure of that source's credibility, this research provides some guidance. However, only research specific to an organization can determine the actual hierarchy when considering which communication strategy is best. There are two reasons for this; according to Covello (1991):

- *The Rule of Credibility Transference:* A message will take on the credibility of the highest credible source that will publicly state or agree to it. (This is the basis of celebrity endorsements in advertising and marketing.)
- *The Rule of Credibility Reversal:* When a lower credible source challenges or attacks a higher credible source, the lower credible source loses credibility.

Ignoring this second rule and counter-attacking when one's position is challenged by someone with more credibility may produce a result that is exactly opposite from what is desired.

The conclusion for higher level managers, who are often perceived as less credible than first-line supervisors in high concern situations, is that they may need to bring in more credible third-party allies to communicate effectively with the workforce. Attempts to "go it alone" could well boomerang.

Within this context of trust and credibility, the dynamics of threat perception can be examined.

FACTORS IN THREAT PERCEPTION

Of the various factors of threat perception studied, three of the most powerful, trust, control and benefit, are examined below to illustrate how they collectively impact the processing of information.

Trust

Trust is the single most powerful factor in perception of a threat. Research shows that a risk managed or communicated by a trusted source is perceived as less threatening than one represented by an untrustworthy source (Covello, 1991; Fessenden-Raden, Fitchen, & Heath, 1987; Slovic, 1993). The trust factor can alter the perception of a threat two thousand times. An example can be used to illustrate the point: A quantifiable risk, such as a health risk from poor indoor air quality, may be objectively determined to pose one chance in one million of causing cancer. When the source of information about that risk is not trusted, those who feel threatened perceive the chances as one-in-five hundred. Remember that what is perceived as real is real in its consequences.

Perceptions based on trust are similarly altered when risks cannot be so precisely quantified, for example, the risk of losing one's livelihood as the result of organizational change.

Control

Control is one tier below trust in its power over perception of threat. Research shows that when we have some control over a risk it is less threatening than if the risk is imposed involuntarily (Covello, 1991; Fischhoff et al., 1978; Slovic, 1987). The control factor can bias the perception of a risk one thousand-fold.

To continue with the same illustration: If the same indoor air quality risk of a million to one is imposed on a group that has no voice in the decision and no means of affecting the risk, the perception of this risk assumes the proportions of one in one thousand. Predictably, the group's reactions again will be more consistent with the greater risk. This, in part, explains why people willingly accept a higher risk that is voluntary, such as a one in sixty-seven risk of a fatal traffic

accident, yet become outraged over a much lower risk that is imposed on them, such as a one-in-one-million increased risk of cancer.

In the same way, the perception of threat associated with management decisions during change similarly will be skewed if these decisions are imposed and lack meaningful input from the people they impact

Benefit

Benefit carries the same threat-perception weight as control (one thousand-fold), that is, a risk that provides some balancing benefit is less threatening than a risk with no associated benefit (Covello, 1991; Fessenden-Raden, Fitchen, & Heath, 1987; Slovic, 1987). Using again the example of indoor air quality, lack of benefit can increase the perception of a one in one million risk to an apparent one in a thousand risk, with a correspondingly intensified reaction.

To lessen the perception of risk, it is important that those who benefit from a risk be the same as those who will face its consequences. When the risks faced by some yield benefits only for others, an additional perception of threat factor is invoked—fairness—and causes further negative reactions.

Cumulative Effects

Individually, the power of these three threat-perception factors is very strong, but they are overwhelming when seen as cumulative (Fischhoff et al., 1978).

Consider again the example of indoor air quality. In two simple steps, withholding both control and benefit, a calculated risk of one in one-million becomes a perceptual certainty of one in one! Add to this the effect of mistrust of the messenger, and employee reactions quickly can become extreme.

Once managers know the effects of these threat-perception factors, they should not be surprised at the workforce reactions to decisions they make over which the workforce has no control and sees no benefit. What might seem irrational is very rational in a workforce that does not trust those who are communicating with them.

MANAGING THREAT PERCEPTIONS

Because *perceptions*, not reality, determine the direction and intensity of employees' reactions and behavior, organizations must learn to manage the perceptions they give. The risk communication research provides some useful principles for effective, though often non-traditional and counter-intuitive, approaches managers can follow for communicating with their workforce.

Managing the Trust Factor

To gain the advantages of trust, managers must understand the basis of trust. Research shows that when people are asked how they weigh a decision of whether or not to trust someone in a high concern situation their responses fall into these broad categories (Covello, 1993).

- Honesty and openness;
- Competence and expertise;
- Dedication and commitment; and,
- Caring and empathy.

Most managers would wish to have these characteristics ascribed to them, but are not sure how to exhibit the characteristics for employees. Managers are often shocked to learn the how the factors relate to one another in terms of earning employee trust. As Figure 1 shows, caring and empathy are equal to all the other characteristics combined for earning employee trust in high concern situations.

Figure 1. Relative Weight of Elements of Trust.



Trust is the most powerful threat-perception factor, and in high concern situations people seek assurance first that a manager cares about their well-being. Will Rogers once observed, “People want to know that you care, before they care what you know.” Caring and empathy are best communicated by direct, face-to-face, two-way dialogue. The importance of two-way communication cannot be overemphasized in high concern situations.

The simple act of listening to an employee’s concerns is one of the most compelling gestures a manager can make to demonstrate caring and empathy. Seeing employee concerns as real – that is, real in the employee’s perception – further establishes the manager’s caring and empathy, and in turn, establishes employee trust. Generally, information technology-based channels of communication are too one-way and impersonal to allow managers the opportunity to convey these caring and empathy.

Managing the Control Factor

People in a democracy have the right to participate in decisions that affect their lives, their property and the things they value. By participating in the decision-making process, people gain the satisfaction of knowing that they have exerted some measure of control over what will happen to them.

Employees, as products of a democratic society, bring definite expectations to the workplace about whether or not decisions made by those in authority are acceptable to them. Their judgment often hinges on whether or not employees had a voice in the decision.

Most organizations at least tacitly acknowledge the value of employee involvement in the decision process. Even the Malcolm Baldrige Award criteria recognize the value of employee involvement. However, organizations often fall short of the goal. What often substitutes for legitimate employee involvement is the more familiar model of Decide-Announce-Defend (DAD).

In the DAD model, employee input usually is sought, if at all, during the “announce” phase – after the decision has been made. Employees are offered the opportunity to respond to a decision that has been reached, and then management defends the decision by explaining all of the compelling facts and rationale that led to the decision.

The DAD model does not qualify as employee involvement. Because the dialogue is after the fact, the decision is seen as imposed, and employees are denied an opportunity to influence it. High concern decisions reached without employee involvement trigger the threat-perception factor of control, increasing the perception of any risk associated with the decision one thousand-fold.

Management is often reluctant to accede legitimate employee involvement in the decision process because they fear the results of relinquishing control. This is not necessarily something to fear. Granting the workforce a voice in decisions, through an appropriate forum, is just that—a voice. It does not constitute a vote or a veto. All that employees need, and in most cases expect, is assurance that their point of view has been heard, reasonably considered and responded to before the decision is made. Outrage is a common consequence of denying employees a voice in decisions that impact them in high concern situations.

The expectation of employees to have a voice in decisions is a reflection of our democratic society and of management trends, such as the participatory decision making stressed in total quality management (TQM) programs. The reality for managers is that this expectation has become a part of the culture, and it's very much like the genie that once out of the lamp refused to go back inside.

Managing the Benefit Factor

Communicating the benefits associated with a perceived threat that employees are asked to accept can be extremely difficult. In most cases, there either is an offsetting benefit to employees or there is not. Whichever is true, managers should be mindful of the impact of the perception of benefit factor (one thousand-fold) in communicating with employees. They must consider:

- If there is a benefit for accepting a risk, that benefit must be clearly defined and communicated to the employees. This is especially important for “survivors” of an organizational change, who ultimately will determine the success of the post-change organization.
- In the same way, benefits that derive to the organization (senior management, stockholders, and others), but not to the employees themselves, must be judiciously avoided. Benefits act

as a positive threat-perception factor only when the same people who bear the risks gain the benefits, whereas benefits that accrue to others can increase outrage. This second point is particularly sensitive in an era of widely reported instances of CEO bonuses linked to massive workforce reductions. In this context, some workforce cynicism is understandable.

Reducing Other Threat-Perception Factors

Although it is beyond the scope of this article to discuss in detail other prominent threat-perception factors, managers also may encounter one or more of the following points:

- *Fairness:* Are the consequences of the perceived risk fairly distributed among all members of the organization?
- *Alternatives:* Are viable alternative courses of action available? Have these been fully considered?
- *Natural:* Is the perceived risk the result of powerful, external business forces, or was it generated arbitrarily within the organization?

Recognizing and understanding these threat-perception factors can better prepare managers to communicate effectively with employees during times of change. This knowledge can help managers understand, and even predict, workforce reactions that otherwise might seem irrational.

This may involve nothing more than respecting the employees' point of view on issues of high-concern to them. Genuine caring and empathy translate to demonstrating respect and communicating one-on-one.

COMMUNICATION OF RISK DURING CHANGE

Each organization's situation is unique, and there is no one way to communicate to reduce employees' perception of risk. However, some typical methods are described below. Because two-way communication is so critical for lowering employees' perceptions of risk during change, one general option for improving upward communication and one for improving downward communication are given below:

Upward Communication

As discussed earlier, research shows that employees' most preferred source of information about an organization is their first line supervisor. This is not surprising, because immediate supervisors have the most opportunity for direct two-way communication with employees, and they most clearly understand and relate to the employees' perspective. First line supervisors seldom are isolated or insulated from the day-to-day realities of the workplace.

Employee preference for first line supervisors as the source of information can be interpreted at least partly as a reflection of the employees' trust and the supervisors' credibility. This has obvious implications for the downward dissemination of information, but also has important implications for credible upward communication and employee feedback.

Depending on the size of the organization, the difficulties of large spans of control can limit meaningful dialogue between the top and bottom tiers. One good way to overcome bottle necks in communication and establish an open two-way channel is to form an Employee Advisory Forum (EAF) comprising representative first line supervisors. An EAF should conform closely to the following specifications:

- Forums should be established at each geographic or organizational location and, as appropriate, at headquarters.
- Membership of each EAF should be limited to 12—18 people to permit quality dialogue. One or two members should be management representatives positioned high enough to make decisions on routine issues, and to have influence at the highest levels for addressing larger issues. The remaining members should be first line supervisors.
- Membership should represent a cross section of the workforce, including union members if applicable.
- Membership should be selected by the Forum itself, rather than be appointed by management. This preserves the objective credibility of the Forum in the view of the workforce. The membership process could begin with a selection committee made up of two initial members and then expand to involve new members.
- The Forum should be self-directed; that is, it should set its own agenda and select its own issues for dialogue with management. Management can place issues on the agenda, but should not categorically exclude any workforce issues.

- The Forum should collaboratively explore potential resolutions to high concern workforce issues. Management should commit to listen fully to EAF concerns and recommendations and provide open, well-considered responses.
- The Forum should exercise no approval authority regarding management decisions. However, management should offer full explanations of how decisions were reached, including why Forum suggestions were not adopted.
- Responsibilities of forum membership should include a commitment to ongoing dialogue with workforce “constituents” to sustain an awareness of the Forum’s proceedings.

Properly constituted, an EAF can build trust and increase employee involvement in addressing high concern issues. At the same time, it fully preserves management’s authority and responsibility for directing the business of the organization. While an EAF might begin as an ad hoc measure for navigating a difficult period of change, its upward communication value may be sufficient to continue its function indefinitely.

Downward Communication

One mechanism for effective downward communication works particularly well in tandem with the EAF. This mechanism is the InfoEx (information exchange). An InfoEx is based upon the “poster station” format and provides an effective alternative to the mass employee meeting, a familiar technique used in many organizations. These meetings fail to achieve the benefits of face-to-face dialogue. Among the limitations of mass meetings for employees are these:

- Most attendees are too intimidated by the large group to stand up and express their personal concerns, even when invited to do so.
- A vocal minority can dominate the meeting and not necessarily represent the majority views.
- The necessary logistics of large group meetings impose physical barriers between the speakers and the audience (lecterns, tables, and stages). These become perceptual barriers to communication.

- The balance of time between management presentations and open discussion commonly tips heavily in favor of the presentations, although the opposite is more appropriate.
- Employees often leave large group meetings further frustrated that their concerns are not being addressed.

In contrast, the InfoEx format presents a greatly enhanced opportunity for two-way dialogue. The InfoEx can be conceptualized as a trade show where the product is communication. It consists of an open-house arrangement of informational poster stations at a location convenient for employees and spanning a longer duration than most traditional meetings. (See Figure 2.)

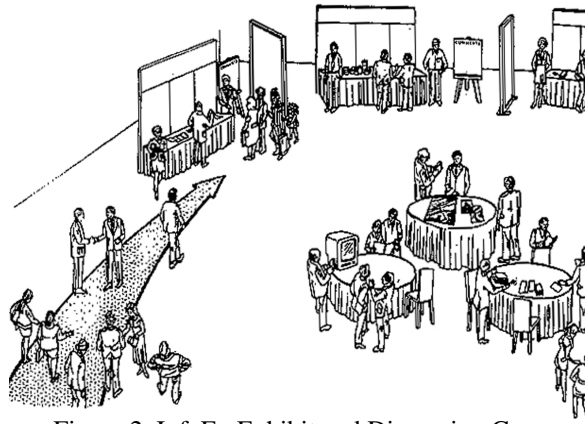


Figure 2. InfoEx Exhibit and Discussion Groups.

Logistically, the InfoEx consists of the following elements:

- A general theme or message that is relevant and addresses workforce concerns about which management wants to communicate. (Themes and messages could come, for example, from the proceedings of an EAF.)
- A convenient location large enough to accommodate numerous simultaneous small group discussions without interference.
- Up to six exhibits or poster stations, each one addressing some aspect of the theme or message with text and graphic information on display panels. Exhibits should be simple and judiciously avoid a glitzy or expensive appearance.
- Tables at each station with takeaways of all information on the poster panels, plus more detailed information and background documents supporting the messages.
- A team of presenters at each station (a minimum of two) with expertise in the subject matter of that station and training in risk communication presentation skills. Presenters should include first line supervisors active in EAFs.

- Comment cards and collection boxes at each station and other convenient locations for employees to leave comments “on the record” for later management response.
- Representatives of senior management present at all times – not attending any particular station – to circulate with employees who may engage them individually to make any comments or ask any questions they desire.

The dynamic of the InfoEx is one-on-one or small group discussions, in contrast to the large group dynamics typical of mass employee meetings. The advantages include:

- Employees have the option of coming and going at their convenience.
- They can stand back twenty feet from a properly designed poster station and obtain the key messages related to that topic.
- They can approach closer as interest warrants and obtain more detailed information on a topic.
- They can step up to the station presenters (trained in the importance of listening effectively and conveying caring and empathy) and discuss personal concerns in relative privacy.
- They can take away information for later consideration and leave comments or questions on the record for management’s response.
- They can meet senior managers in less intimidating circumstances than would otherwise be possible.

An InfoEx can run for a day, from before a workday begins until after it ends, or for selected periods over several workdays. The objective is to make it as convenient as possible for employees to attend and to allow enough time that the number in attendance at any one time is likely to be relatively small. Although the InfoEx consumes more time than mass meetings for managers and presenters, it yields far more effective communication for the investment.

The InfoEx is solidly rooted in the principles of risk communication, providing an excellent venue for managing important threat-perception factors and gaining trust and credibility with the workforce.

Both the EAF and the InfoEx present management with opportunities for solid return on its investment in communication. However, successful implementation requires precise application of critical risk communication principles and is best approached with a solid grounding in research.

SUMMARY

When concern is high and trust is low, conditions consistent with organizational change, a departure from the traditional communication model becomes necessary. Research studies on risk communication explain why this is so and suggest how to change the communication model for more effective results during difficult times.

In recognition of human nature, the approaches suggested by risk communication principles are low-tech rather than high-tech. They are often nontraditional and counter-intuitive, and sometimes uncomfortable to adopt. However, successful application of risk communication techniques can enhance the workforce's trust and the credibility of management and go far toward overcoming the perceptual barriers that otherwise impede communication.

Trust and credibility are the greatest assets a manager can have to lead the workforce through the throes of change, emerging intact and motivated to contribute to the success of the new organization.

Reliance on the efficient but impersonal techniques developed through information technology for disseminating information might suffice for the theoretical "carbon-based employee unit." However, human resources comprise real people, and real people require *real* communication – especially during organizational change.

References

- Covello, V. (1991). Risk comparisons and risk communication: Issues and problems in comparing health and environmental risks (pp 79-124). In R. Kasperson & P. Stallen (Eds.), *Communicating risks to the public*. Boston, MA: Kluwer Academic Publishers.
- Covello, V. (1992). Trust and credibility in risk communication. *Health & Environment Digest*, 6(1), 1-3.
- Covello, V. (1993). Risk communication and occupational medicine. *Journal of Occupational Medicine* 35(1), 18-19.
- Fessenden-Raden, J., Fitcten, J.M., & Heath, J.S. (1987). Providing risk information in communities: Factors influencing what is heard and accepted. *Science, Technology and Human Values*, 12(3/4), 94-101.
- Fischhoff, B., Slovic, P., Lichtenstein, S., Read, S., & Combs, B (1978). How safe is safe enough? A psychometric study of attitudes toward technological risks and benefits. *Policy Sciences*, 9, 127-152.
- Foehrenbach, J., & Rosenberg, K. (1983). How are we doing? *Journal of Communication Management* (cited in Larkin & Larkin, *Communicating change: Winning employee support for new business goals*. New York: McGraw-Hill, 1994).
- Nicholson, N. (1998, July/August). How hardwired is human behavior? *Harvard Business Review*, pp.134-147.
- Slovic, P. (1987, April 17). Perception of risk. *Science*, 236, 280-285.
- Slovic, P. (1993). Perceived risk, trust and democracy. *Risk Analysis*, 13(6), 675-682.