Cultivating a culture of open communication

If social media represent the first big communication idea of this century, the larger goal of creating and leading open communication cultures is certainly the next big idea

by Roger D’Aprix, ABC, IABC Fellow
Social media represent the first big communication idea of the 21st century. Yet as internal communication tools, they have not had easy sledding, with senior leaders nervously contemplating what it means to give voice to everyone in the organization.

The strategy of the social media evangelists has largely been focused on piecemeal advocacy and the creation of discrete initiatives. But social media’s relatively modest success with senior leaders suggests that the strategy has been a bit of putting the cart before the horse.

Our profession has long advocated for more open communication cultures. Practitioners have seen social media as a virtual “communication crowbar” in furthering that openness. However, the existing degree of openness in any organization’s culture is really what determines the acceptance of new tools like these. The more attuned the leadership’s instincts are to openness, the more likely those leaders are to tolerate the expression of contrary opinion and diverse viewpoints, the twin hallmarks of social media activity.

Many of our colleagues argue that we should simply become “facilitators of a conversation” among the members of our audiences, and that leadership communication is passé at best and irrelevant at worst. Such arguments ignore the fact that organizational leaders are major influencers of the cultures they lead. The long-standing traditions of hierarchy and autocracy, which remain very much with us, are also powerful forces in opposition to openness. Still, some observers argue persuasively that there is no choice—that the variety and impact of social media in the world at large will inevitably force both their acceptance and greater openness in the corporate world.

Some of the most ardent social media advocates have been perceived as radicals fighting for freedom of expression and greater institutional democracy. But one can also argue that they have aimed too low, that their ambitions were not radical enough. That as they tried to sell every social media program in a sort of quasi-subversive campaign of attrition, they have been seeking the wrong endgame. Rather than seeking the approval of tactical solutions, the better strategy would have been to lobby for more open communication cultures in the first place and to support that goal with all of their resources and imagination. If social media represent the first big communication idea of this century, the larger goal of creating and leading open communication cultures (OCCs) is certainly the next big idea.

There are forces at work that make such cultures increasingly important and urgent. The virtual lack of organizational boundaries, which allows information to move seemingly at will, is one such force. The equally urgent need for collaboration and employee engagement to enhance innovation and competitiveness is another. And ever-changing technology is the wild card that forces...
greater openness irrespective of the desire for control.

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**A vision of openness**
What does openness look like in practice? Here is a detailed definition inspired and endorsed by an informal group of Fortune 200 senior communication executives who meet periodically under the sponsorship of ROI Communication, a change communication consultancy:

“An open communication culture is one in which information flows freely and is easily accessible to both insiders and to the public at large. Consistent with the culture and values of the organization, its leadership enables, advocates and provides open access to information in which employees, customers, shareholders and the general public have a legitimate interest. Proactive communication initiatives and dialogue with and among the various stakeholders are the primary means for achieving open communication objectives. Among the obvious exceptions to the rule are proprietary, regulated financial and competitive information or confidential employee, customer or client information.”

That is, an OCC is a culture in which nonconfidential and nonproprietary information is actively and freely shared with both employees and interested stakeholders with the leadership’s blessing and proactive participation.

The kicker in all of this is winning the understanding and support of senior leaders in creating more open communication cultures. It is not a task for the fainthearted because it requires a compelling business case, patience, the ability to deal with ambiguity, and personal conviction. It also requires the understanding of limits and thresholds for openness.

**What leaders must do**
In his book *The Future of Management*, business guru Gary Hamel argues that there are three universal challenges for the 21st century organization:

- Building a company capable of continuous, trauma-free renewal in a changing world without precedents
- Making innovation everyone’s job
- Creating a company culture that inspires everyone to give their very best

But how do business leaders establish the open communication culture necessary to confront these complex challenges? And how can communication professionals help them to do it?

The first question is: What is the leader’s tolerance for greater openness and its consequences? Does he or she want to foment a cultural revolution in the organization or begin an orderly, step-by-step evolution toward specific targets? How does the leader understand his or her options and the limitations of those options? And what are the steps in creating that understanding? What are the risks to legitimate confidentiality, and what is the cost of ignoring the damage that can be done by continuing the naïve belief that information can be tightly (or even loosely) controlled in today’s world?

Those are the critical questions any interested leader must confront with the assistance of his.
or her communication and HR teams.

The first task for leadership is to rigorously define its own business case for greater openness. Without the conviction that an open communication culture is beneficial and necessary to business success, the effort will likely fail. Like all worthy visions, this one is a long-term effort that must be nurtured, defended and supported with evidence, strategy, policy and practice.

Once the business case has been articulated and embraced, the next step is finding out where the organization now stands in relation to its own aspirations. Companies fall somewhere on a continuum when it comes to their degree of openness. At one end of the continuum are the pioneers—the Googles, Ciscos and their ilk. At the other is any type of organization that holds secrecy and confidentiality as sacred operating principles. In the middle is likely the great mass of organizations that either have not chosen to think about these issues or are genuinely ambivalent, confused or divided about how to proceed.

So what can we and others do as a profession to support OCC initiatives? Clearly, research instruments are needed to help gauge the extent of openness of a company culture. As experts in communication, we can help design those instruments, whether they take the form of surveys, interviews or other measurement techniques. We also need to understand the obstacles to openness and to differentiate the legitimate restrictions from the knee-jerk opposition to sharing. Furthermore, we need to identify and bring to light the consequences of unnecessary restrictions on information and their impact on collaboration, innovation and the desire to contribute one’s best efforts.

The other fundamental concern is the implications of the OCC decision. How should communication be strategized? What are the relevant tactics that flow from that strategy? What does an OCC mean for a broad range of HR policies and practices, including selection, recruiting, leadership development, measurement and compensation strategy? What accountabilities will be essential to promote and, even where necessary, restrict OCC practices? All of these will require debate, deliberate decisions and integration of the initiatives that will produce a tailored OCC.

Measuring the benefits
Open communication, engagement and performance are inevitably linked together in a virtuous cycle. And the payoff? In their 2010 report, Towers Watson researchers found that companies that met their standards for highly effective communication had 47 percent higher total returns to shareholders over the five-year period from mid-2004 to mid-2009.

Need more evidence? Consider some of the other proven performance benefits of an OCC:

- **A culture of communication** integrity and innovation increases employees’ discretionary effort (Corporate Leadership Council).
- **There is a direct relationship** between employee and customer satisfaction (Northwestern University).
- **Satisfied employees** create loyal customers. A 5 percent increase in customer loyalty yields a 25 percent to 95 percent profit increase (author Frederick Reichheld in The Loyalty Effect: The Hidden Force Behind Growth, Profits and Lasting Value).
- **The primary driver** of employee satisfaction is effective communication (Northwestern University).
- **Communicating a clear vision** of the future is the No. 1 factor in building employee commitment (Melcrum).
- **Internal communication** is the top factor in determining a CEO’s reputation, which in turn is critical to shareholder value (Burson-Marstellar).

—R.D.

When Cisco and Apple got in a legal tussle over the “iPhone” name (Cisco owned the trademark, and Apple wanted to use it for its new cellular phone), Mark Chandler opened up with his personal insights on Cisco’s external blog. Chandler, Cisco’s senior vice president and general counsel, was able in his version of the unfolding drama to go far beyond the official corporate press release that factually reported that Cisco had filed a lawsuit against Apple for trademark infringement. As one legal columnist blogged at the time, Chandler, by offering his own views of the legal case, was “able to add pathos to the story, appealing to the emotions of the audience.”

While the tone for openness is set high in the organization, survey data prove that it reaches across the company. Results from the company’s annual pulse survey consistently show that employees believe Cisco’s culture is an open one. Three of four employees responded favorably to the statement “Cisco’s senior leadership team communicates openly and honestly to employees.” And nearly four of five agreed that “the people on my team speak openly and honestly, even when the news is bad.”

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The business case
What is today’s business case for more open communication cultures? Let’s begin by facing the fact that the tipping point in any leader’s decision to create and lead a more open communication culture will be the conviction that such a culture will improve both performance and the bottom line.

There is a growing body of research that shows the correlation of open communication practices with both employee engagement and business success. Annual surveys by Towers Watson, for example, show that openness is a critical component in engaging employees. The Gallup Organization long ago demonstrated that the extent of such engagement is a crucial element in company performance—that hiring the right people and trusting them were essential to both engagement and performance. Openness and trust are co-dependent.

In the words of Towers Watson’s 2008 survey report of 90,000 employees in 18 countries: “Three key elements emerge as particularly critical in closing the engagement gap:

- **First and foremost**, organizations must have effective—and engaged—leadership at the top.
- **Second**, organizations need to customize and shape the work environment and culture to match their unique basis for competitive advantage, tangibly aligning workforce strategies with business priorities.
- **Third**, organizations need to put their workforce under the same microscope as they do their customers—to understand employees’ needs, issues, values and…(motivational) patterns.”

Some may look at these challenges and ask why open communication cultures are the next big idea. They may argue that an OCC initiative is too ambitious, and that our best strategy is to wait out change and react as it unfolds. The trouble is that by the time we have that understanding and an appropriate tactical reaction, the damage has been done.

Greater openness is not necessarily the solution for all organizations. Even the most open must retain and protect some information—competitive secrets, new business strategies, proprietary information, private personal information and the like. But most information in and around organizations does not meet the standard of legitimate secrets, particularly when it comes to the people who must help the organization succeed.

Gary Hamel has stated the ultimate case for openness far better than I ever could:

“For the first time since the dawning of the industrial age, the only way to build a company that’s fit for the future is to build one that’s fit for human beings as well. This is your opportunity to build a 21st century management model that truly elicits, honors and cherishes human initiative, creativity and passion…. Do that, and you will have built an organization that is fully human and fully prepared for the extraordinary opportunities that lie ahead.”

Amen.

Cisco CONTINUED
A key factor to the broad-based support for openness is the pervasive technology and tools that encourage direct, two-way communication among employees. Cisco has one of the most extensive corporate broadcast television networks in the world, with a monthly calendar that covers everything from sales training to companywide meetings.

In addition, there are more than 600 Cisco TelePresence videoconferencing rooms around the globe. A single TelePresence meeting can bring employees in as many as 48 different rooms together into one virtual high-definition conference room.

Cisco has its own internal video-sharing capabilities in “Show and Share.” While Show and Share serves as a repository for high-end corporate video productions, the vast majority of its content is employee-produced videos.

Think of it as a corporate implementation of YouTube, where employees can (and do) post anything from an effective sales rep’s pitch to customers, to a retirement celebration, to a tutorial on using new companywide software. Employees are encouraged to use video to produce and post their work across the company.

To help leaders and employees make the most of the available technology, the company’s corporate communications and IT organizations jointly created a Professional Communicators Network. The online reference center, within Cisco’s collaborative workspace, helps employees select the best communication technology to use to tell their story and they can launch “how to get started” lessons from the same spot.

The combination of powerful collaborative communication technology and a culture that embraces open communication has proven to be essential to fueling Cisco’s global growth.

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