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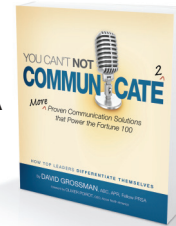
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The 5 Mistakes that CEOs Make, and How You Can Help

Turning Strategy into Reality

BY DAVID GROSSMAN, ABC, APR, FELLOW PRSA

Most senior management teams spend weeks working tirelessly on their organization's strategic plan. They review the data, envision the future and shape goals into a cohesive entity. Once that challenging task is complete, key leaders review the strategic framework. Then, they share the information with employees.

Check the box. Task complete. Right? Wrong.

Developing, articulating and sharing the strategic plan is only the beginning. The real work is about to begin: implementing the strategy with leaders and employees inside the organization.

After all, a strategy is only a strategy until someone acts on it.

Misunderstandings are expensive

One study — from a 2008 IDC

white paper — estimates that American and British employees cost their businesses \$37 billion every year because they don't fully understand their jobs. These losses are the result of "actions taken by employees who have misunderstood or misinterpreted (or were misinformed about or lack confidence in their understanding of) company policies, business processes, job function or a combination of the three."

If employees don't know where the organization is headed and how they fit into it, then how can they help get it to where it needs to be?

Too often, leaders pay lip service to proper alignment and communication of their strategy. Leaders invest resources to build the plan, but then they lose momentum when it comes to investing in its future. That's a recipe

for confusion, skepticism and complacency.

What follows are the top five mistakes that CEOs make when engaging employees about the overall business strategy and their role in it.

Mistake No. 1: Leaders don't have a strategy that's codified.

A senior leader might have the most compelling vision for the organization, but if it stays in his or her head so that others can't see it and believe in it, then the vision might as well not even exist.

It's up to the leader to engage others so that they have the same clear picture. That means packaging the strategy in a way that connects all of the mission-critical information together, including what led to the strategy.

beyound/corbis

Employees come to their jobs with their own backgrounds, and it's a leader's job to help them understand the collective context — what's happening in the marketplace that clarifies why the strategy is right for the organization.

Some strategies that work:

- Put the strategy on a single piece of paper. Let it serve as a strategic framework from which all leaders and employees operate.

- Share the strategic framework and give others the context behind the strategy so that they understand how the executive team got there, and ask them to make it relevant for their teams.

- Use the strategic framework consistently in employee communications so that it becomes familiar and they see how it ties to the strategy.

- Reinforce the strategy's importance.

Mistake No. 2: Leaders mistake nodding heads for true alignment

We've all been in meetings where a senior leader shares ideas and everyone nods with what seems like resounding approval. The leader leaves the meeting thinking, "Great, everyone's on board and moving forward." More often than not, though, people go back to business as usual, or worse, fuel negative conversations about how the ideas discussed will never work. Bobbleheads are not conducive to progress.

- Ensure every leader is engaged in the discussion. Don't allow bobbleheads to speak with their nods. Find out what they're thinking so you can understand challenges and opportunities that might have gone unnoticed.

- Ask your leadership team open-ended questions to gauge their level of commitment. How someone answers a question tells you what they're thinking.

- Follow up individually with leaders for their perspective on what you discussed.

- Give leaders an assignment. Ask them to reach out to their staff and come back to you with insight on parts of the strategy that seem confusing and/or barriers that may exist to implementing the strategy (along with recommended solutions).

Mistake No. 3: Leaders don't engage employees and extended leadership in strategy development.

Nutritionists today urge parents to include their children when preparing meals. The notion is that children are more likely to eat healthy food that they helped make.

The same principle applies to the strategy-development process. All executive teams begin projects based on market research and customer preference data, but smart leaders quickly engage layers of leadership and employees during development. Getting employees on board early helps ensure their commitment in the long run. Try this:

- Ask leaders and employees at all levels to provide input on your SWOT analysis. As pre-work, ask your leadership team to bring answers to three key questions from employees to the strategy planning session.

- Develop and then test components of the strategy

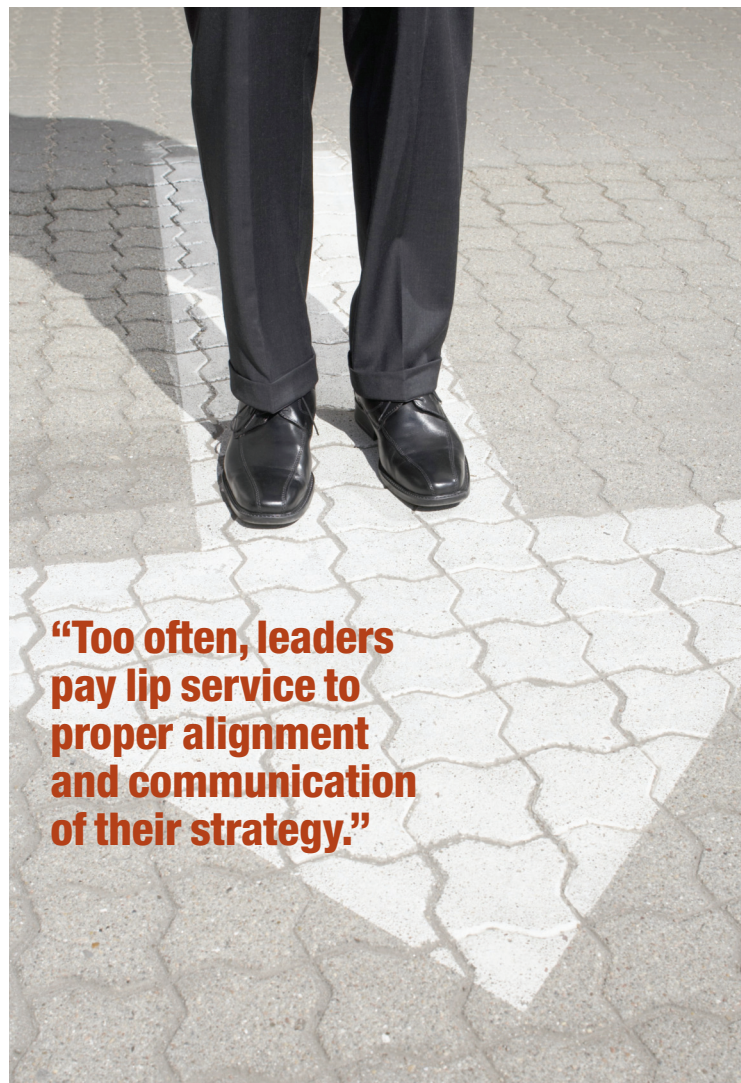
through an iterative process with various employee groups.

- Conduct soft-sounding interviews with individual employees. Ask front-line employees how the strategy applies to them. If they can personalize it, and it makes sense to you, then you know they understand the strategy and it's heading in the right direction.

- Leave the door open for feedback, and act on it so employees know that their voice matters.

Mistake No. 4: Data on employee communications doesn't exist.

Leaders are eager for data to make business decisions on everything from creating new products and



"Too often, leaders pay lip service to proper alignment and communication of their strategy."

services to entering a new market. Yet when it comes to organizational health and employee engagement, many organizations fail to measure what's working and what's not.

People need to view communications as a system. To assess its health, you need to understand multiple components and how they work (or don't work) together:

- Do employees understand the strategy and how their job fits into the overall mission and goals?
- How are the CEO and senior management communicating?
- What is the effectiveness of communication from supervisors?
- What messages are resonating?
- How is information flowing?
- Are employees advocating for the organization?

This kind of research also allows you to segment your results by senior leader and how effectively he or she is communicating. Few things spur a senior leader to action more than seeing their overall results in the bottom

quartile of the organization, especially when people show results comparing every senior leader to one another.

Communication is in the eye of the receiver. Understanding how employees rate the state of communication inside the organization gives leaders what they need to start, stop or continue activities designed to engage and drive performance.

Mistake No. 5: Leadership teams aren't held accountable to communicate the strategy.

Leaders in any organization and at all levels are held to high standards and judged by their performance in important areas impacting the business: sales, operations, marketing and so on.

But people rarely hold the same leaders accountable for communicating with employees, which is arguably the foundation for success for every one of those areas listed.

Organizations must build in accountability at multiple levels so leaders know what is expected of them, understand what "success" looks like,

and can perform effectively to meet expectations. At best, accountability for communication is part of the overall performance management system and is specifically tied to compensation.

Great leadership is about giving direction, offering context, and ensuring that every person in the company — from those on the front lines to members of the senior leadership team — understands what the company strategy is, what it will take to accomplish its goals and what the rewards are when you get there.

That can only happen through effective communication and by avoiding the key mistakes that leaders often make. When leaders know better, they can do better. ■



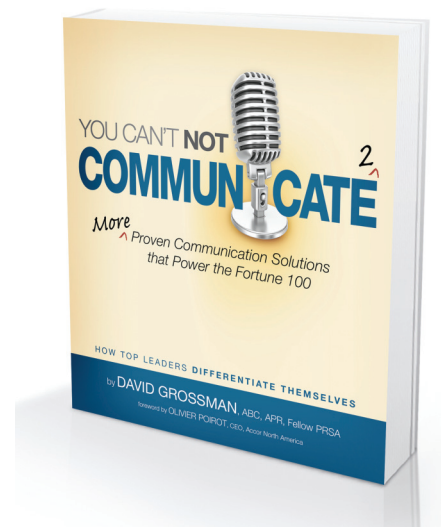
David Grossman, ABC, APR, Fellow PRSA, counsels and trains CEOs and leadership teams to drive business results through courageous and effective leadership and internal communications.

“Understanding how employees rate the state of communication inside the organization gives leaders what they need to start, stop or continue activities designed to engage and drive performance.”

The Ultimate To-Do List for Any Leader

The following is an excerpt
from David Grossman's
second book,
"You Can't Not Communicate
2: More Proven
Communication Solutions
that Power the Fortune 100."

Book Excerpt



One of my favorite *Harvard Business Review* articles is titled "What Only the CEO Can Do," written by former Procter & Gamble CEO A. G. Lafley, turnaround expert extraordinaire, from the May 2009 issue.

In his thought-provoking article, he reflects on discussions that he had with Peter Drucker, other CEOs and management gurus a few years back about a central question: What are CEOs uniquely qualified to do? (You also can glean the role of leaders in general from their conclusions.)

First off, I love the question, and I think each of us should ask ourselves what only we can do for our organization because that helps us focus on the most highly valued and valuable tasks.

Here's where they netted out for CEOs:

1. Defining and interpreting the meaningful "outside"
2. Regularly answering the two-part question: What business are we in and what business are we not in?

serge kozak/corbis

3. Balancing sufficient yield in the present with necessary investment in the future
4. Shaping the values and standards of the organization

The critical core competency in three out of four of these is communication.

Like it or not, leaders are accountable not only for operating their organizations, but also for shaping the vision and inspiring their employees to thrive. Communication is at the center of it all.

Communication as the CEO's bottom line

In looking at the conclusions of Lafley's CEO discussion, here are the connections that I see:

1. Defining and interpreting the meaningful "outside"

This is about aligning everyone to a common context for the organization. Each of us comes into the workplace with our own context because of how we were raised, our experience, background and so on. That's a wonderful thing because we need diversity more than ever — especially when innovation is essential for success.

However, to make smart business plans and decisions, employees need to understand the collective context we all agree on as an organization. This may or may not be in sync with how a specific individual thinks about our customers, the marketplace or the top strengths we need to leverage as an organization.

• **Reflection point:** How do you define the "outside" for your team and

"How do you continually connect the dots between your work and your organization's values?"

set the context for them (as well as help them make their job relevant in that context)?

2. Answering the two-part question: What business are we in and what business are we not in?

This is about which of our core competencies we will leverage as an organization. We might be able to succeed in a number of ways, but where will we focus? (Note the emphasis on what will not get done.) Where are the boundaries for what we do? This two-part question helps us with what our main focus in communications should be and also further helps set the context for the strategy. A number of years ago, McDonald's began to diversify by adding a number of other food-related businesses before it got back to basics and realized its core competency is being in the hamburger business, not in pizza or Mexican food.

• **Reflection point:** How do you provide focus around what your team does and doesn't do without stifling innovation?

3. Balancing sufficient yield in the present with necessary investment in the future

You can't win them all.

4. Shaping the values and standards of the organization

This is about determining the core DNA for the organization — who we are and what we stand for — especially when times get tough or crises hit.

Unfortunately, many times, this effort is only paid lip service and turns into wordsmithing among the senior management team. Worse yet, the communications team is creating the values instead of facilitating the process of alignment.

To effectively shape the organization's values and standards, leadership must be aligned around not only the concepts, but also the behaviors and daily actions that are required, including the critical role leaders play in building an aligned culture.

The systems in the organization, such as performance management, also need to be synced up so that words and actions follow. It's a truism that what gets measured is what gets focused on and done.

• **Reflection point:** How do you continually connect the dots between your work and your organization's values? ■

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