

Effective Communication in The Digital Age

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Good morning ladies and gentlemen. Thank you for coming.

It is a pleasure to be with you today. After yesterday's long hours of heavy lifting it's clear to me that the organizers felt some levity would be in order. I get the privilege of being one of those charged with shifting gears just a little bit. Truth be told, this is a great example of personal indulgence meets opportunity. Having left the pressure filled world of constant deadlines and non-stop emails, I have had the wonderful opportunity to explore a broad range of topics that have been on my To-Do list for years. This is one of them.

The question of how professionals respond to rapid change driven by this new age of technology began almost thirteen years ago. As a new manager, I remember asking a colleague her thoughts about how to treat the latest apparent infraction of the dress code. She looked at me quite puzzled, so I explained. Was it appropriate for a senior accountant to be traipsing around the office with a cell phone and two pagers strapped to his belt? What would the clients think? Fortunately good sense prevailed and she quickly assured me (a young stick in the mud) that this was totally o.k. There was nothing to be concerned about.

Of course she was right...at the time. Since those blissful days of innocence, so much has changed. The way that technology has imposed itself on our lives is nothing short of phenomenal. Technology, and more specifically digital technology, has transformed almost every aspect of how we live and most certainly how we do business. There are almost as many pros as there are cons.

Let me be brutally honest from the start. I am no technology expert. I am not keen to stand here like Bill Gates or Steve Jobs at a great unveiling and regale you with wonderful demonstrations of how technology will transform your lives. That's not what I propose to do. What I would like to do is cause you to think about this new era and the fact that digital technology is but one of the factors impacting all of our lives and almost every aspect of them.

So, when I say "*effective communication in the digital age*" a dozen thoughts emerge. The sheer scope of the issues is so broad that I could not possibly address even the key ones in any meaningful way. I have opted to narrow the scope and speak briefly about two themes.

- Technology's impact on how we **conduct** business
- How we use the tool to **lead** our businesses

On the first area I simply wish to refer you to four helpful books on how we ought to conduct ourselves in the digital age:

- Business Etiquette—by Ann Marie Sabath
- The Executive Guide to E-Mail Correspondence
- Never check email in the morning—Julie Morgenstern
- Harvard Business Review's Writings on Innovation

I now move on to the central theme.

As professional accountants, business people and in general Type A personalities, we are interested in one word; results. Get it on. Get it done. Produce results. Finish the audit, complete the report, close the sale, close the books; get it done.

Everything else is detail, and those details come in two varieties. The first is noise; otherwise known as disruptions; problems to be solved or situations to be managed. The second variety is system issues, which are loosely defined as processes, people or resources. There is only a fine distinction between the two, driven by internal versus external considerations.

Again it comes down to...results. That is what we want. That is what we dream about, that is what gets us out of bed each morning. That is what keeps us motivated. No? OK, so it is not quite the results that we dream about, it's the luxury car, the house the great vacation, financial independence...and getting the right results gets us these things.

It is clear then, that the technology is a tool for achieving our objectives. Quite frankly, we don't really care if it is analog technology or digital technology. It is the results that matter. Our main goal is to connect. And we want to connect in such a way as to achieve our overall business and personal goals. Deliver the results! The level of the technology frames my expectations as to what results can be achieved. And because we now have digital technology, I join Charles Dickens in having great expectations.

So, I have now cut my presentation in half because I am not really concerned about the digital aspect. It is what is it, and I am happy for that. What I really want to do is communicate; effectively. Communicate? About what?

Let's face it; you are all the top brass who lead your organizations. The organizers didn't expect for you to come here for me to talk to you about how to write a business letter...for the most part anyway. When we talk about communication in the context of change we are really elevating the discussion a few levels.

Here is how one university course describes it. *"Communication has been revolutionized in the last 20 years, with both government and business taking advantage of the opportunities provided by the digital age. The proliferation of scalable technology to provide information as well as goods and services across the globe at the touch of a button, has transformed the ways people come together, exchange news, views and share their experiences and those of others."*

For the purpose of my presentation, the issue of communication in the digital age is essentially a proxy for leadership. How are leaders of business connecting with the people they are supposed to be leading?

Former UK Prime Minister, Benjamin Disraeli, said “with words we govern men.” It turns out that Disraeli was channeling Napoleon, who said we govern men with words. Communication!

"With words we govern men." - Disraeli
"We govern men with words." - Napoleon

In case you hadn't noticed it, a moment ago I gave everyone top marks in suggesting that you are leading your organizations. I mean you are LEADING it, right; somewhere? Or does it merely exist? Merely exist...in the sense that employees, managers, senior managers, and other executives simply come to work every day to get the job done. Not that there is any driving sense of purpose or direction. No sense of mission, no sense of connection. They simply have **stuff** to do every day.

Where does that sense of direction and connection come from? It is communicated from the top. It comes from leadership.

The idea that we will be able to respond to change or shape anything without effective leadership is a pipe dream. It is not going to happen. The idea that 5-10 of you could sit in a room with your collective brilliance and great ideas and “**will**” effective change into existence is also a pipe dream.

Let me frame it this way.

In Nov. 2009, Ernst & Young conducted research designed to ascertain how businesses around the world were responding to the extraordinary market conditions they faced. In its report entitled, **Lessons from Change**, EY revealed its findings from the market. According to the report, “effective management teams are clearly seeking to balance a range of complimentary and competing goals as they navigate a new future for their companies.” According to them, “The research indicates high performers are consistently:

- Seeking to develop a broader and deeper view of their market opportunities, today and tomorrow
- Being more innovative in strategy and structure than their competitors, more collaborative with partners and more questioning of themselves and their potential
- Taking a much more holistic and long-term approach to their people and communicating more frequently and transparently to both their internal and external stakeholders
- Broadening their understanding of risk in their market and from their actions, and tightening their execution and key support processes to mitigate that risk
- Pursuing and attaining greater speed in making decisions to take advantage of their changing market

The reality is pretty clear. These are challenging times and winning in the marketplace requires most organizations to change the way they do business. Competition is more intense and more diverse. Resources are scarce and it is more important for organizations to be tight. All hands have to be on deck and focused on the same mission. Tight! Focused!

But there is a problem.

Ask the average senior manager to speak to the organization's strategic plan. Ask him or her to sketch out the broad strokes of the plan and discuss how her department's current activities are in keeping with the organization's strategic thrust.

I'd put money on it that in most cases the response is dead silence. More often than not you get silence because people simply do not know. Ask the average manager or supervisor. Fugetaboutit! Why, because they don't know, don't remember, because it is not a part of what they do or think about on a daily, weekly or monthly basis.

Execution is not tight. Not focused, not mission oriented. They are treading water. In discussing wayward youth, Billy Graham once described it as "going nowhere,

looking forward to nothing.” The reality is that if organizations are to truly leverage the considerable investments they are making in human capital, they have to do a better job of **communicating** with their people. To keep them engaged, focused, challenged and directed.

Eight years ago, Lou Gerstner, the former CEO of IBM released his book “*Who Says Elephants Can’t Dance*”. The book took an inside look at the IBM turnaround just as it was about to fall off the cliff. Gerstner wrote that an important component of his strategy was CEO communications—with staff and the management team. According to him he issued hundreds of communications over the course of his tenure with IBM.

The idea that a Managing Director or CEO is capable of leading a global or regional organization using a command and control structure, and an annual retreat has gone out with the dinosaurs. From business to politics our people are more enlightened and have strong views as to how business should be done. They want information, consultation and engagement. The old ways of father knows best...or in our case “Papa” knows best are passing, if they have not gone already.

The War for Talent

Now, I wasn’t kidding when I tell you that I have given a lot of thought to this subject. In 1997 McKinsey and Company produced a study entitled the “war for talent.” The study was later published as a book in 2001. I don’t need to be original in recounting the language of the authors, so I’ll quote directly from the text, starting with the publisher’s note:

“McKinsey & Company consultants...argue that winning the war for leadership talent is about much more than frenzied recruiting tactics. It’s about the timeless principles of attracting, developing, and retaining highly talented managers—applied in bold new ways. And it’s about recognizing the strategic importance of human capital because of the enormous value that better talent creates.” (Earlier I referred to it as producing results).

This is what the authors wrote:

- It wasn't better HR processes that made the difference between high performing companies and the average-performing ones; it was the ***mindset*** of the leaders throughout the organization that made the difference. It was the fundamental belief in the importance of talent. It was also the actions they took to strengthen the talent pool.
- Without this mindset, recruiting becomes an activity. Development happens by serendipity. Average managers are tolerated in key spots. Attrition increases. Performance suffers.
- The job of managers is becoming more challenging as globalization...and rapid advances in technology change the game in most industries.
- Companies today need managers who can respond to these challenges. They need risk takers, global entrepreneurs, and techno-savvy managers. They need leaders who can reconceive their businesses and inspire their people.
- The supply of managerial talent is limited. Over the coming two decades (this was written in 2001) companies will be competing intensely for the limited supply of very capable managers.
- More than ever, talented individuals have the negotiating leverage to ratchet up their expectations for their careers. The price for talent is rising.
- Companies will have to work harder to win the battle for highly talented managers
- Excellent talent management has become a crucial source of competitive advantage. Companies that do a better job of attracting, developing, exciting, and retaining their talent will gain more than their fair share of this critical and scarce resource and will boost their performance dramatically. This is worth repeating! (But I won't)
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- Excellent talent management has become a crucial source of competitive advantage. Companies that do a better job of attracting, developing, exciting, and retaining their talent will gain more than their fair share of this critical and scarce resource and will boost their performance dramatically. This is worth repeating! And again!
- Clearly, having more capable people isn't the only thing companies will have to do to win. They will also have to set high aspirations and enact the right strategies and performance initiatives. They will have to energize and align all their people so they deliver their best performance. But talented leaders are needed to make these other performance drivers happen.
- Most companies have a long way to go. Companies proclaim that people are their most important asset, but many don't act that way. Most companies struggle with talent management.

In my view, for those who have not yet read the book, I think it is worth the investment of time. The authors identified five imperatives that companies need to act on if they are going to win the war for managerial talent and make talent a competitive advantage:

1. Embrace a talent mindset
2. Craft a winning employee value proposition
3. Rebuild your recruiting strategy
4. Weave development into your organization
5. Differentiate and affirm your people

I have already spoken about the **mindset**, so I'll say just a few words about the importance of a **winning employee value proposition** and bring this back squarely to my core message. Once again I'll quote liberally from the authors.

"Today, a career is a drastically different proposition. Talented people want the big money and all the perks. More important, though, they want to feel passionate about their work, excited by their job, enriched by their career opportunities, uplifted by the company's leaders, assured by the depth of its management, and inspired by its sense of mission. They'll work hard, but they

want to be fulfilled. If they are not fulfilled, they will be inclined to leave. Highly talented managers have lots of attractive options to choose from. They understand how much value they can create. For these reasons, the “price” of talent—in financial and nonfinancial terms—has gone up.”

I’ll make one final point from the book. “Beyond the work that they are doing managers want to be a part of a great company. They want to like the culture and values, feel they are part of a well-managed company, and have leaders who inspire them. Different people prefer different kinds of corporate cultures. However, there are two aspects of culture that nearly all managers are looking for: a strong performance orientation and an open, trusting environment.”

When your employees are embarrassed to tell people they work for your company, Houston, you have a problem.

A final passing thought on the first theme.

Even as businesses are driven by the changing paradigm of technology, there are a few tenets that remain unchanged. People still want, demand and need to be respected. And leadership sets the tone. What kind of organization do **you** lead? And what kind of example do **you** set when it comes to standards of employee communications? Starting with tone from the top.

Consider these real world examples. The names and locations have been changed to protect the innocent and to avoid further embarrassment of the guilty.

A senior manager has been working closely with a colleague in another division on a major business deal. There were many weeks of long hours and personal sacrifices. The deal has not closed, but with a few weeks to go, he learns that his mother has taken ill. He needs to take a few days off to attend to personal matters. He sends a note to colleagues advising them of this and takes off.

Returning three days later, he is greeted by the following email from his colleague, “John, before you left, you did not complete... (You fill in the blank)...

Please make this priority one and get back to me today.” How would you respond? What is your organization’s culture?

My friend responded as follows. “Dear Jane, your email would have been a lot more effective had you started with, “John, it is good to have you back in the saddle. I hope that everything worked out well with your mother”

Or consider this real world case of a regional organization. The local IT manager had major surgery and was off from work for five weeks. On his first day back to work he receives an email from his boss in Bermuda barking out instructions about what needed to be done. Beyond Dear Mike, no personal connection, no expression of concern about his recovery or even the gratuitous nice to have you back. How would you respond? Do you:

- a) Kiss your teeth, say to yourself this man is a bastard, and simply leave it alone
- b) Send a reply befitting such cold and insensitive reaction from a senior leader
- c) Close your door and cry because you had to come back to work for “these people”

Rumour has it that the answer was b. The opening line of the response went like this...and I am paraphrasing here, “Dear Mary, you did not ask how I am doing, but I am happy to say that I have recovered very well following the surgery.” Needless to say that response did not go down well.

These are all true stories not embellished in any way by me, anyway. I know them because this is the cold harsh reality of organizations. This is not Vegas where things happen and they are kept between the two—or three—people involved. People talk and share information, especially ones of the mind blowing varieties that cause you to shake your head in disbelief. So again I ask you, what kind of organization are you leading?

In closing, I reiterate that the times are changing. As leaders you have a clear sense of mission about **where** you want to take the organization and the results you want to achieve. You **cannot** do it alone; you **must** do it **through** your team.

You have to **communicate** your mission to your best talent. They want to be engaged. They need to be inspired. Digital technology provides a means for you to do this. It is a tool you must use throughout the organization, but you set the tone from the top.

Good luck on this journey, and thank you for listening.