

**Powering internal communication for employee advocacy:  
Competitive advantage begins with employees who  
understand and want to share the electric co-op story**

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## **ABOUT THE AUTHOR**

Joan O’Fallon has a bachelor’s degree in mass communications/public relations from the University of South Florida in Tampa, and 26 years of professional experience in corporate communication. Before her current position at Polk-Burnett Electric Cooperative, Joan was the public relations director for Robbinsdale Schools, serving 14,000 K-12 students and 25 schools northwest of Minneapolis. There, she was a member of the superintendent’s cabinet responsible for senior-level strategic planning, budgeting and decision making. Joan was also a corporate communicator for North Memorial Medical Center in Robbinsdale. Throughout her career, she has been fortunate to work in health care, education and energy, helping to shape policy and communication strategy in all three industries.

Today, Joan is the communications director for Polk-Burnett, a rural electric cooperative that serves 20,000 members in northwestern Wisconsin. She is a member of the senior management team, responsible for the two-way flow of information and building mutually beneficial relationships between the co-op and its stakeholders. As a one-person communication department, Joan’s time is divided between strategic management and creative output. She is the official voice of the co-op, setting the agenda for key messages and target audiences. Tactical communication efforts include monthly member and employee newsletters, traditional advertising campaigns and media relations. Annual meetings and board elections are designed to give members a voice, and energy seminars, tours and events are planned to promote the co-op as an energy leader and deliver value. Joan is also responsible for the co-op’s community relations efforts, including the youth scholarship and community grant programs, and has launched new technologies to connect with stakeholders and expand transparency, including social media, an award-winning website and an e-mail newsletter. Whether working as an influential strategic leader or a creative tactician, Joan is a valuable resource to her employer, using knowledge and competencies in strategic communication to help her organization succeed. All strategies are aligned with the cooperative mission and goals, based on research.

Throughout her career, Joan has held leadership positions in her profession, serving on boards for the Minnesota School Public Relations Association, the Wisconsin Rural Electric Member Services Association, and the National Standards and Best Practices Advisory Board for Touchstone Energy Cooperatives. In 2013, she received the national Brand Champion Award from Touchstone Energy.

Much has changed since Joan earned her bachelor’s degree in mass communications/public relations in 1988. She believes continuous learning is a personal and professional responsibility. In 2011, she earned Accreditation in Public Relations through the Public Relations Society of America. In 2014, she will earn a professional master’s degree in strategic communication from the University of Minnesota. Joan is also interested in sharing her education and experience with a new generation of communicators, as a mentor and teacher. She is particularly interested in public relations, ethics and employee relations, and believes strategic communication is more important today than ever before. As organizations face new challenges, emerging technologies, globalization and demands for accountability, skills as communicators are needed and valued on senior management teams.

### ***Capstone Focus***

To help Polk-Burnett Electric Cooperative improve performance and member satisfaction, Joan considered a capstone study on agenda setting and how energy is portrayed in today's media—usually not at all or one-sided. She also considered strategic differentiation and the co-op business model, which puts members and social responsibility ahead of profits. And she considered engaging young members—the Millennial generation—by delivering relevance and value. However, before relationships can grow externally, the organization must have its internal house in order, meaning employees must be engaged in and aligned with the business strategy of the organization. Employees are a number one stakeholder for organizations, and competitive advantage (or disadvantage) begins with them.

The focus of Joan's research is powering internal communication and building relationships to motivate employee advocacy. Competitive advantage begins with employees who care, understand and share the electric co-op story.

Relationships are a focus of Joan's personal life, as well. She lives in Wisconsin to be near her five nieces and nephews. Together, they enjoy water skiing in the summer and downhill skiing in the winter. Joan also has a love for learning and reading. When she completes her master's degree, she looks forward to reading fiction books, just for the fun of it!

## EXECUTIVE SUMMARY

- This study examines internal communication at Polk-Burnett, a rural electric cooperative in northwest Wisconsin, and seeks to improve employee advocacy on behalf of the cooperative.
- A content analysis and employee survey were conducted as part of an internal communication audit to help co-op leaders understand the current situation and learn if employees are well-informed and advocating on the co-op's behalf. Quantitative research was followed by qualitative one-on-one interviews with co-op supervisors. The combined results show what's working and what's not, so co-op leaders can make strategic decisions about how best to invest in internal communication to achieve positive business goals.
- In addition to original research, a literature review examined secondary research and best practices in employee engagement, employee relations and employee communication, as well as strategic communication models and theories. All were applied to recommend improvements in internal communication to motivate employees to understand and share the co-op story.
- This study suggests that effective internal communication can lead to competitive advantage by motivating employees to become brand ambassadors.
- Strong internal communication and employee relationships mutually benefit employees and the cooperative in many ways; one positive outcome is employee advocacy. Positive word of mouth on behalf of the organization is a critical element for external branding and is desperately needed by Polk-Burnett as it attempts to build and communicate the value proposition of co-op membership.
- Polk-Burnett excels in providing its core service—reliable electricity—but falls short in communicating the value of cooperative membership. Member satisfaction is lower than national benchmarks and co-op leaders have introduced a new strategic mission, vision and values to close the gaps. To reach its goals and meet the challenges of a changing energy environment, the co-op must communicate and align strategy within the organization, and employees must understand, adopt and share key messages with external audiences. Engaged employees are a competitive advantage, necessary for building co-op value and member satisfaction.
- Results of the internal communication audit were generally positive; however Polk-Burnett Electric Cooperative, like many organizations today, must do a better job of capitalizing on its greatest asset—its employees—for competitive advantage. Positive employee outcomes build positive business outcomes, but it requires hard work and long-term investment.
- Three key concerns stood out in the research: 1) trust in leadership, 2) communication transparency and 3) knowledge and support for the co-op's new strategic vision. The research suggests that knowledge of strategic subjects is fairly good; however, advocacy must be strengthened to achieve the co-op's business goals. When trust in leadership, communication transparency and support for co-op's new strategic vision are addressed, advocacy will improve.

- Effective internal communication is based on research, aligns with business goals and leads to action. Effective communication is more than pushing information out, and one-way communication rarely leads to behavior change.
- Most significant, internal communication must be structured to build two-way symmetrical relationships based on mutual adjustment and mutual benefit. When employees are included in dialog, they are more receptive to change and advocacy.
- Knowledge and support for the co-op's new mission, vision and values needs improving. Every employee should participate in strategy and understand how their work impacts co-op goals. Knowledge and advocacy should be aligned with the employee review process and a rewards program.
- Content, source and channel effects must also be adjusted to drive action and behavior results.
- Effective channels to internally communicate co-op information include e-mail, small group meetings with supervisors and cross-department teams, and quarterly all-employee meetings with the general manager.
- Supervisors are the strongest link to frontline employees, and the most effective internal communication is face-to-face from a supervisor. Improving co-op performance will not happen without supervisor support and participation. Supervisors must be the first to adopt and demonstrate support for the co-op's new vision, and they must be trusted heroes, leading their team to success.
- In addition, co-op leaders must foster transparent, open communication with employees to build more trusting relationships. Trust is a weakness at Polk-Burnett and across all levels of society today.
- Polk-Burnett must address the rule of participation, the rule of abuse and the rule of rewards.
- The bottom line for Polk-Burnett and every organization is to build employee relationships where participation and shared values earn trust, motivate advocacy and lead to mutual benefit. Competitive advantage begins with employees who understand and want to share the co-op message. Powerful internal communication and positive employee relationships will drive positive business results.

## **Powering internal communication for employee advocacy:**

### **Competitive advantage begins with employees who understand and want to share the electric co-op story**

*A guest speaker visited Polk-Burnett Electric Cooperative earlier this year and shared best practices from Touchstone Energy cooperatives around the country; one example was mailing patronage checks to build awareness and member satisfaction. An employee approached the communications director after the presentation and asked, “Why don’t we mail patronage checks?” This was encouraging, the director thought, because the employee was paying attention and looking for ways to improve member satisfaction. However, the problem wasn’t about the distribution of patronage checks. The problem was that the employee wasn’t aware that Polk-Burnett started mailing patronage checks last year.*

## **INTRODUCTION**

This case study examines internal communication at Polk-Burnett, a rural electric cooperative in northwest Wisconsin, and seeks to improve employee advocacy on behalf of the cooperative. A content analysis and employee survey were conducted as part of an internal communication audit to help co-op leaders understand the current situation and learn if employees are well-informed and advocating on the co-op’s behalf. This quantitative research was followed by qualitative one-on-one interviews with co-op supervisors. Research shows what’s working and what’s not, so co-op leaders can make strategic decisions about how best to invest in internal communication to achieve positive business goals. Research findings and strategic communication models and theories were applied to recommend improvements in internal communication and motivate employees to understand and share the co-op story.

This study suggests that internal communication can lead to competitive advantage by motivating employees to become brand ambassadors. Competitive advantage is defined by Michael Porter as strategic differentiation that creates and sustains superior performance by an organization (Porter, 1985).

This paper considers communication models from Pat Jackson, James Grunig, Dave Therkelsen and Christina Fiebich, the Yale Studies, Shannon and Weaver and Wilbur Schramm. Models by Jackson, Grunig, and Therkelsen and Fiebich, as well as Wehrenberg’s *Communication Architecture* and Eighmey’s *Four Elements of Strategic Communication*, all ladder up to action. Strategic communication is communication with purpose, aligned with business goals and based on research. The goal of strategic communication is behavior outcomes to help organizations succeed. With this in mind, effective internal communication at Polk-Burnett should lead employees to understand and want to share strategic co-op messages.

## **BACKGROUND**

Polk-Burnett is a member-owned rural electric cooperative that delivers electricity to 20,000 families, farms, businesses and cabins in northwest Wisconsin. It was established in 1938 by local farmers and President Franklin Delano Roosevelt’s federal Rural Electrification Administration (REA), who pooled resources to bring electricity to communities across rural America that didn’t have enough population density for investor-owned utilities (IOUs) to serve at a profit (Polk-Burnett Website, 2014).



Today, Polk-Burnett is still owned and governed by local members and guided by a not-for-profit, cooperative business model. It is financially stable, with positive equity, margins and cash flow; in fact, the co-op returns a portion of its profits to members each year with the allocation and distribution of patronage credits (Polk-Burnett Strategic Plan, 2014).

***Members satisfied with reliability and core service, but high rates drive overall dissatisfaction***

Polk-Burnett receives high member satisfaction scores for its core business—reliable electricity. The electric distribution system is up-to-date and well maintained, with a proactive right-of-way clearing program, annual construction plan and two-way *smart* meter installation. However, high, non-competitive electricity rates are a primary driver of *dissatisfaction*, and overall member satisfaction—75 on the American Customer Satisfaction Index—is *lower* than industry benchmarks that reach the mid 80s. Low population density is a competitive disadvantage that drives high electricity rates at Polk-Burnett. The base rate must be higher than neighboring investor-owned utilities (IOUs), because co-op costs are spread among fewer members in rural areas; where IOUs spread costs over 20+ consumers per mile in urban areas, the co-op has just six members per mile in its rural territory. Compounding the problem, the co-op has very few commercial accounts, and 40 percent of co-op members are defined as seasonal, typically with low energy sales. (Polk-Burnett Strategic Plan, 2014). The value proposition of co-op membership is not enough to justify higher rates and the cooperative advantage is not relevant today. Some members are disengaged and dissatisfied.

Electric co-ops differentiate themselves from IOUs with ownership by the local members they serve. The value of rural electric cooperatives since their beginning in the 1930s has been member ownership and control, along with economic participation, where excess profit margins are returned to member-owners instead of distant stockholders (Polk-Burnett Website, 2014). Many members do not understand the cooperative business model or the history of the electric cooperative movement in rural America. Co-op ownership by local members and the legacy of turning the lights on for rural families and farms when they couldn't get power from IOUs is not valued by many consumers today, and the cost of co-op membership often exceeds the rewards for many.

Social exchange theory helps understand that because the cost of co-op membership exceeds the rewards, the relationship will be unsatisfactory and unsustainable for some co-op members (Thibaut & Kelley, 1959).

***Why is member satisfaction important for a monopolistic utility with no competition?***

According to the cooperative business model, Polk-Burnett is owned by members and exists to serve members. While members don't choose Polk-Burnett as their electricity provider, the co-op would not exist without members or their support. Like any organization, Polk-Burnett's existence relies on favor in the court of public opinion. And while not in direct competition for customers, Polk-Burnett is compared to neighboring investor-owned utilities—especially in the areas of utility rates, power reliability and convenient services. (Polk-Burnett Strategic Plan, 2014). Like competitive organizations, Polk-Burnett's management and board directors must plan and execute sound business strategy to ensure financial stability, organizational sustainability and satisfaction of member-owners. Specifically, member satisfaction is important to Polk-Burnett Electric Cooperative because a satisfied and loyal membership:

- Reduces threat of regulatory action

- Reduces threat of acquisition by another utility
- Increases understanding and acceptance of power outages, other issues and crises
- Improves understanding and support of rate increases
- Increases governance stability
- Improves opportunities for revenue growth through new electric services and load growth
- Improves employee satisfaction

The two other utilities serving the region are Xcel Energy, a large investor-owned utility (IOU) and Northwestern Wisconsin Electric Company, a small, family-based IOU. These two IOUs border the co-op's service territory, with Polk-Burnett serving rural areas and IOUs serving the more densely populated urban areas within the same region of northwestern, Wisconsin. Electric consumers do not choose their electric provider; they are served by the utility in their service territory. For example:

- IOUs provides electricity to homes and businesses in the *villages* of Siren, Webster, Grantsburg and Danbury in Burnett County and the villages of Frederic, Luck, Milltown, Balsam Lake, Centuria, Amery, St. Croix Falls and Osceola in Polk County.
- The co-op provides electricity to homes, farms and businesses in rural *townships* that surround these villages, including Swiss, Union, Oakland, Jackson, Scott, Meenon, Lincoln, Wood River, Daniels, Anderson and Trade Lake townships in Burnett County and West Sweden, Clam Falls, Lorain, McKinley, Sterling, Laketown, Eureka, Georgetown, Johnstown, Apple River, Garfield, Clayton, Farmington, Black Book and Alden townships in Polk County.

Xcel Energy delivers electricity within the co-op's geographic region and is the primary utility for many of Polk-Burnett's seasonal members who live in the Twin cities. Xcel is a major U.S. electric and natural gas company, with annual revenues of \$10.1 billion. Based in Minneapolis, Minn., the company operates in eight states and provides energy-related products and services to 3.4 million electricity customers and 1.9 million natural gas customers. Xcel's tagline is "Responsible by Nature," which communicates their mission to deliver "clean, safe, reliable energy at an affordable price" (Xcel Website, 2013).

Northwestern Wisconsin Electric Company (NWE) has a long history of service in the region, longer than Polk-Burnett. It is owned and managed by the Dahlbergs, a well-respected family living in the area. NWE is an investor-owned electric utility with 390 stockholders, mostly local. The company serves about 11,500 customers in Burnett and Polk counties of Wisconsin, and a small number of customers in Pine County, Minnesota. It has 51 full time employees. "It is NWE's goal to respectfully provide energy and related services to serve each customer's distinct needs. We will continue do this at the lowest price possible and with the same small town friendly service our customers have come to expect for almost 100 years" (NWE Website, 2013).

Even though the three utilities serving the region operate as monopolies with no true competition for customers, their rates, services and satisfaction are regularly compared. Polk-Burnett's basic monthly charge is higher than Xcel and Northwestern because it's more expensive to deliver electricity to rural areas with less population density. Polk-Burnett builds and maintains one mile of power line for every six members, while electric companies in urban areas, like Xcel and Northwestern Wisconsin serve more than 20

customers per mile. As a result, bringing electricity to rural customers requires a greater investment from the co-op and its members (Polk-Burnett Strategic Plan, 2014).

***Exceptional core services, but falls short in communicating value of cooperative membership***

Polk-Burnett's 2013 member survey revealed that awareness of co-op programs is low, and readership of the *Powerlines* newsletter has declined from 74% in 2003 to 56% in 2013 (Polk-Burnett Member Satisfaction Survey, 2013). In addition, annual meeting attendance is down from 500 to 600+ in late 80s, early 90s to just 76 in 2012 (Polk-Burnett Communication Plan, 2014), even though electric services increased from 13,495 in 1985 (Polk-Burnett Website) to 20,592 in 2014 (Polk-Burnett Board Report, 2014).

Polk-Burnett communicates with members and stakeholders in a number of ways, including: monthly member bill-insert newsletters, traditional advertising campaigns and media relations. Annual meetings and board elections are designed to give members a voice, and energy seminars, tours and events are planned to promote the co-op as an energy leader and deliver value. The co-op's youth scholarship, community grant and economic development program demonstrate a commitment to community, and new technologies to connect with stakeholders and expand transparency include social media, website and an e-mail newsletter.

New initiatives include a member appreciation open house, Twitter and Facebook social media engagement, annual recycling day, listening sessions, a community service/employee ambassador program and the 75th anniversary celebration. These face-to-face and social media efforts are intended to improve engagement with young members.

Polk-Burnett communication is planned and executed by the communications director, and is based on primary (local) and secondary (national) member research (Polk-Burnett board report, 2014).

***Strategic subjects of importance identified for communicating value***

Polk-Burnett must do a better job of engaging members and telling its story, specifically about efforts to provide electricity at the lowest possible cost and help members save energy and money; these were identified as the most important drivers of value in Polk-Burnett's 2013 member survey of 375 randomly selected members (Polk-Burnett Member Satisfaction Survey, 2013). The following co-op programs communicate pocketbook messages and help deliver member value:

- Patronage capital credits
- EnergySense rebates
- Rate relief
- SmartHub
- Outage map

These programs, as well as efforts like social media and community relations that connect with stakeholders in new and relevant ways, have been identified by senior management as strategic subjects of importance (Polk-Burnett Strategic Plan, 2014). These are the focus of Polk-Burnett's internal communication audit for this study.

Curtis Nolan, president of the National Rural Electric Cooperative Association (NRECA), presents this member engagement challenge to Polk-Burnett and rural electric co-ops across the country:

Those we serve are changing in fundamental ways—getting younger and more diverse, communicating in new and immediate ways, and holding higher expectations when it comes to keeping the lights on. Our job in the coming years is to ensure these folks become fully integrated into Co-op Nation (Nolan, 2013, p. 10).

### ***The future of electricity is changing***

Like all organizations, Polk-Burnett and America's energy providers must continuously adapt and remain relevant to survive and be successful for future generations. Major issues for rural electric cooperatives and all involved in the energy industry include: regulation, rising costs, disruptive technologies and changing consumer demands.

An environmental scan by Wright-Hennepin Cooperative Electric Association noted key observations and customer perceptions in the utility industry today, including:

1. Price of power has increased significantly in the last decade
2. Rules of the game have changed how to make, deliver and price electricity
3. Government is aggressively picking energy winners (renewables) and losers (fossil fuels)
4. Savvy new entrants intend to take kWh sales from traditional utilities
5. Use of utilities is changing with new and cheaper technology creating a trend toward home generation (Nikula, 2013)

Government regulations at all levels impact the cost, reliability and sustainability of electricity. At the state level, Wisconsin utilities are mandated to produce 15 percent of their electricity with renewable resources by 2015. At the federal level, the Obama administration's new Climate Action Plan calls on the Environmental Protection Agency (EPA) to require new regulations on greenhouse gasses for fossil-fuel power plants (Polk-Burnett Strategic Plan, 2014).

In addition to increasing regulation, the utility industry is facing a growing threat of disruptive forces as a result of technological innovations, public policy support for sustainability and efficiency, declining trends in electricity demand growth, rising price pressures to maintain and upgrade the U.S. distribution grid and enhancement of the generation fleet (Kind, 2013).

Emerging disruptive technologies that compete with utility-provided services include solar photovoltaics (PV), battery storage, fuel cells, geothermal energy systems, wind, micro turbines, and electric vehicle (EV) enhanced storage. These technologies create adverse impacts on revenues... (and) lead to increasing customer rate pressure (Kind, 2013).

Growth in renewable energy aligns with growing consumer interest in sustainable green power and could improve member satisfaction with the co-op; however, these policies lead to reduction in energy sales/revenue (Polk-Burnett Strategic Plan, 2014).

Consumer expectations are changing across all sectors of society. There is greater demand for high quality goods and services at lower costs, service that's fast, convenient and personalized, and environmental and social responsibility.

Technology enabled customers to get what they wanted, when they wanted it, and they became more vocal about their desires (McDonald, 2012, p. 17)... historically you had to choose two of three attributes when buying a product or service: good, fast or cheap. It was impossible to have all three... But that's no longer necessarily true today... Gen Y has come to expect that they can—and should—be able to get all three..." (McDonald, 2012, p. 118).

Utilities are no exception when it comes to meeting consumer expectations, particularly as consumers rely more and more on electricity to power businesses, communications, technologies, entertainment, food preparation and home comfort.

The utility market is unique in its nature in that people's reliance on these sources of energy is far greater on a daily basis than almost any other good on a daily basis (Kang, 2013).

For older consumers who remember when the lights came on, there is still great loyalty and satisfaction with their electricity provider. However, younger consumers don't have that connection and research suggests that they tend to take the relationship for granted unless the power is out (TSE Services, 2013).

The 2012 National Cooperative Difference survey found that co-op members across the country between the age of 18 and 44 have lower satisfaction ratings than older co-op members (TSE Services, 2013).

Polk-Burnett receives high member satisfaction scores for its core business—however, the perception of high, non-competitive rates is a primary driver of dissatisfaction, and overall member satisfaction is lower than co-op norms. Member satisfaction is measured with the American Customer Satisfaction Index from Touchstone Energy and the University of Michigan. Polk-Burnett members are disengaged, co-op identification is low and the value proposition of co-op membership is not relevant today (NRECA Market Research, 2013).

Polk-Burnett Electric Cooperative and American's energy industry have reached a tipping point. Rising costs to produce and deliver energy, environmental regulations, disruptive technologies and changing consumer demand require systemwide change. A major challenge facing electric utilities today is consumer demand for greater reliability and greater sustainability at a lower price. Renewable energy may deliver the promise of all three one day; however, at this time, this solution is less reliable and more expensive. To ensure a viable future, Polk-Burnett must offer consumers a relevant value proposition and differentiation that creates shared value for the organization and society. The glory days of electrification may be romanticized by older members, but it is no longer valued by the new generation. Strategic communication must articulate the new vision.

***Employees must be engaged in strategy execution, advocacy***

To keep pace with changing times in the utility industry, employee advocacy is a key strategy for communicating the value of co-op membership.

Polk-Burnett reduced and reorganized its management team following the economic downturn of 2008, and retrenchment is now transitioning to growth strategy. Its board president, general manager and senior management team are working to offer more competitive utility rates and improve member satisfaction. A

new *2020 Vision, Mission and Strategy Execution Plan* was launched in January 2014, with performance goals and incentives for the co-op and its employees (Polk-Burnett Strategic Plan, 2014).

To reach its goals, strategy must be communicated and aligned within the organization, and employees must understand, adopt and help share the co-op plan with external audiences. Engaged employees are a competitive advantage, necessary for building co-op value and member satisfaction. Before relationships can grow externally, the co-op must have its internal house in order, meaning employees must be engaged in the business strategy of the cooperative. Employees are a number one stakeholder for organizations, and competitive advantage (or disadvantage) begins with them.

### ***Co-op employees by the numbers***

Polk-Burnett Electric Cooperative has 59 full-time employees, including a general manager, six senior staff, five middle managers, 16 linemen, nine member services representatives, two engineers, two right-of-way specialists, two buildings and grounds employees, one mechanic, two IT employees and two accountants. In addition, the propane subsidiary employs seven. About 50% work in the field and 50% work in the office, 20 are union employees and 39 are nonunion; 12 work in the Siren branch office and 47 work at the headquarters in Centuria (Polk-Burnett Strategic Plan, 2014).

## **SITUATION ANALYSIS**

### ***Problem: Employee disengagement is critical weakness***

During a SWOT analysis of the organization's internal environment, employee disengagement was identified as a critical weakness (Polk-Burnett Strategic Plan, 2014). A 2013 employee engagement survey conducted by the cooperative resulted in lower than expected scores, especially in these response areas (Polk-Burnett Employee Engagement Survey, 2013):

- Someone has talked to me about my progress
- I have received recognition for doing good work
- My opinion seems to count
- There is someone who encourages my development
- My supervisor or someone at work seems to care about me as a person
- The mission of our co-op makes me feel my job is important
- I have confidence in the leadership of the co-op
- I would recommend Polk-Burnett as a place of employment

Polk-Burnett's 2013 employee engagement score was 3.58 on a 5-point scale, which was lower than the strategic target of 4.0.

Research by Clampitt (2010) revealed that many organizations today face the same internal weakness. His surveys and interviews with employees at more than 50 organizations revealed these bleak statistics about employee communication:

38% of employees don't feel committed to their organization, (p. 72).

47% of employees say they don't receive the information they need to do their job well, (p. 122).

52% of employees don't understand their organizational strategy and goals, (p. 256).

Clampitt's research suggests that lack of organizational commitment, lack of information to do the job, and lack of understanding about big-picture goals are detrimental to day-to-day productivity and the overall performance of the organization (Clampitt, 2010).

This case study questions if a lack of information and lack of understanding exist at Polk-Burnett Electric Cooperative. Could poor employee engagement be linked to poor internal communication? Do co-op employees have the information they need to feel committed to the organization and advocate on its behalf? And how should the co-op invest money and effort in internal communication/employee relations to best support its business strategy?

***Opportunity: Improve internal communication and build relationships that lead employees to advocacy***

This case study will examine current employee communication at Polk-Burnett to identify if gaps exist between information sent, information received and information shared, and make recommendations to fill those gaps in an effort to improve the effectiveness of internal communication, advance the organization's new strategic vision and build competitive advantage.

Specifically, this case will apply research and strategic communication models to ensure co-op employees: 1) receive and understand co-op information, and 2) share co-op information. The desired outcome behavior is brand advocacy. To achieve strategic vision, member satisfaction and competitive advantage, Polk-Burnett needs well-informed, knowledgeable and friendly employees who are passionate about their jobs *and* share this with others on and off the clock. Brand advocacy and member satisfaction are everyone's responsibility.

...delivering value is at the heart of our cooperatives' success... We find there are no better ambassadors for our cooperatives than our own employees and board members. The hours they spend volunteering in the local community, during or outside of work hours, pay dividends far beyond our financial contributions and foundation giving (Laing, 2014, p. 2).

## **LITERATURE REVIEW**

A vast amount of literature supports internal communication, employee engagement and employee relations as good business practice; however, the literature also shows that many organizations don't capitalize on employees as a strategic asset or recognize the value of positive employee relationships as a competitive advantage.

In the rural electric cooperative industry, for example, an informal content analysis of the Best Practice Knowledgebase from Polk-Burnett's national branding association, Touchstone Energy, found 51 case studies to improve member satisfaction and achieve best-in-class performance; some focus on energy efficiency and renewable energy, some focus on member communication and others focus on technology and business customers. None focus on employee relations or internal communication (Cooperative.com website, 2014).

David Therkelsen (Feb. 2014) reported two conclusions about employee communication and engagement, "First, organizations that effectively engage their workforces have better business results than those which

do not. Second, most organizations do not effectively engage their workforces.” Why? Therkelsen hypothesized a number of reasons for the “under-deployment” of employee engagement, including:

- Executives don’t buy the argument that engagement leads to better business results
- Executives think they are already doing a good job
- Advocates for employee engagement are not part of the dominant coalition in organizations
- People change jobs often, so there is no payoff for investing in employee communication

...too many organizations still do not get it, nor do it, wrote Therkelsen. They continue to act against their own self-interest by perpetuating failed communication programs that drive employee distrust and cynicism and reduce engagement and commitment... despite this vast knowledge and rich professional expertise, employee levels of engagement, commitment and trust are low and have been declining since the late 1990s, (Therkelsen, March 2014, p. 2).

### ***Employee disengagement by the numbers***

Studies by Gallup support Therkelsen’s evaluation, suggesting that employee disengagement is widespread, with implications for poor productivity and organizational performance beyond Polk-Burnett Electric Cooperative.

According to a 2013 Gallup survey, “Seven in 10 American workers (70 percent) are ‘not engaged’ or ‘actively disengaged’ in their work, meaning they are emotionally disconnected from their workplace and less likely to be productive” (Gallup, 2013, p. 6).

### ***Employee engagement defined***

Gallup offers the following definitions of employee engagement:

Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward (p. 21).

(Employees) not engaged are essentially ‘checked out.’ They’re sleepwalking through their workday, putting time—but not energy or passion—into their work (p. 21).

Actively disengaged employees aren’t just unhappy at work; they’re busy acting out their unhappiness. Each day, these workers undermine what their engaged coworkers accomplish (p. 21).

Polk-Burnett defines employee engagement as

... the emotional commitment the employee has to the organization and its goals. This emotional commitment means engaged employees actually care about their work and their company. They don’t work just for a paycheck, or just for the next promotion, but work on behalf of the organization’s goals—when they are engaged, they use discretionary effort, excerpt from *Forbes* (Polk-Burnett Strategic Plan, 2014).

Following a study on Global Human Capital Trends for Deloitte, Josh Bersin (March 2014) defines engagement as “an employee’s willingness to exert ‘discretionary effort.” Gabby Nelson (2012), director, internal and external communication for Select Comfort Corporation agrees: “Engaged employees are



willing to put in discretionary effort to advance the vision, mission, long-term goals and short-term priorities of the company.”

In an article touting “5 steps to employee engagement,” Alice Grey Harrison, APR, writes that today’s employees are “pushed to their limits...the challenging economy has led to a reduced workforce, increased workload and greater responsibilities—without commensurate salaries...Organizations spend a great deal of time, money and resources on external branding. But what about the people who make up the brand? Employees are, without a doubt, our greatest brand asset,” (2012).

Organizations establish and maintain relationships with multiple stakeholders today, most notably customers, investors, community members, special interest groups and the media. This paper makes the case for placing employees at the top of the list. “There is a strong case for organizations to consider their employee publics as primary in importance...” (Therkelsen, March 2014, p. 5).

### ***So what? Why employee engagement matters: Making the case for making employees your No. 1 audience***

The engagement picture isn’t all bad. Clampitt’s research (2010) found examples of some organizations that execute internal communication very well:

83% of highly effective organizations respond that corporate communication is an essential part of their organization’s business strategy, (p. 5).

88% of highly effective organizations explain the reason behind major decisions to all employees, (p. 203).

74% of business technology professionals consider ‘improving employee collaboration’ as the #1 goal of unifying communication technologies, (p. 96).

This research by Clampitt reinforces the importance of effective communication inside organizations today and suggests that communication – especially employee communication—is a basis for organizational success. John Eighmey (Fall 2012) agrees: “The single greatest key to success in an organization is communication. Number one is employee communication.” While employee relations and internal communication are often considered soft skills, with intangible measures and benefits, a review of the literature suggests that investment in these areas is an important differentiator for business success.

From *The IABC Handbook for Organizational Communication* (D’Aprix, 2006),

“Those of us who think and talk in depth about issues like engagement are often frustrated by the tendency to label them as soft, as though there were not worth discussing or so squishy that they were practically impossible to define and manage... I will go to my grave wondering why such people resist the simple proposition that treating people with respect and concern is somehow counterproductive to business results,” (p. 228).

“...an equally compelling reason for paying attention to the level of engagement in a company is the desire for discretionary effort. In short, every employee, regardless of the nature of his or her work, has a reserve of discretionary effort that he or she can choose to contribute or quietly withhold. To the extent that such employees truly feel engaged in the vision, mission and goals of the organization, they are much more likely to expend that discretionary effort to achieve them. Such is the power of engagement,” (pp. 228-231).

### ***Positive employee outcomes lead to positive financial outcomes***

In Forbes, "It's Time to Rethink the 'Employee Engagement' Issue," Josh Bersin (April 2014) wrote, "...I believe the issue of 'engaging people well' is becoming one of the biggest competitive differentiators in business."

Eighty percent of corporate worth today is based on intangible assets, including brand, reputation, goodwill, intellectual capital, communication and corporate values. Brand strategy must be championed and managed from the top of the organization and lived across the organization (Wehrenberg, 2013).

Therkelsen (March 2014) cited a 2006 study by Watson Wyatt Human Capital Index, concluding that "communication effectiveness was a leading indicator of financial performance" (p. 6). Companies that communicated effectively had a 19.4% higher market premium, higher returns to shareholders, higher employee engagement and lower turnover (Therkelsen, March 2014).

An example of positive employee outcomes leading to positive financial outcomes is the Parnassus Workplace Fund. It was featured in an online article by Crowley (2013) and illustrates that "The Proof is in the Profits." The fund invested in *Fortune* magazine's "100 Best Companies to Work For" and annually outperformed the S&P Index. Most impressive, the Workplace Fund showed a return of 10.81% during at the height of the Great Recession when the S&P Index was just 3.97%. Jerome Dodson, founder of Parnassus Investments, was quoted to explain the results: "I think when you have a contented workplace, people are willing to put out more effort to improve operations... this consistently more engaged performance inevitably reveals itself in the firm's bottom line."

Gallup (2013) agrees. "Employee engagement continues to be an important predictor of organizational performance... companies with engaged workforces have higher earnings per share and seem to have recovered from the recession at a faster rate," (pp. 25-26).

Conversely, Gallup (2013) reports, "Most employees are not groomed for the role of brand ambassador, which could be costing their company millions of dollars in lost opportunity," (p. 56). David Grossman (2011) quoted a study in *The Public Relations Strategist* that estimates, "American and British employees cost their businesses \$37 billion every year because they don't fully understand their jobs. ... If employees don't know where their organization is headed and how they fit in, then how can they help get it to where it needs to be?" (p, 6).

Employee engagement has been the subject of research for decades. Employee motivation, satisfaction and performance were studied at Western Electric's Hawthorne Works manufacturing plant outside of Chicago, Illinois, during the "dawn of the human relations movement" from 1924 to 1933. Although controversial today, the experiments coined the term, "Hawthorne effect, as the phenomenon in which subjects in behavior studies change their performance in response to being observed" (Anteby & Khurana, 2012). The theory suggests that employees may work more productively when they receive attention.

According to Wheelen and Hunger (2012), "Research indicates that companies with good Human Resource Management practices have higher profits and better survival rates than do firms without these practices..."

An organization's human resources may be a key to achieving sustainable competitive advantage," (pp. 158-161).

This assessment of employee engagement is prevalent in the literature and supports elevating employees to the highest stakeholder level because their behavior has a direct impact on the organization's bottom line.

### ***The value of brand advocacy***

A goal of internal communication is to lead employees to become ambassadors for the cooperative, demonstrating not only high performance in their workplace, but also loyalty and advocacy for the brand.

Engaged employees are well qualified to be brand ambassadors... The best brand ambassadors don't stop doing this at the end of the workday. They continue to extol the virtues and values of their company's brand even when they are off the clock, in conversations with friends, family, neighbors, and on social media... Great companies understand that employee engagement itself is not a destination—it is a platform to even higher performance, greater productivity and increased revenue. Organizations must ensure that employees are "equipped to be a positive brand ambassador for the organization, both on and off the clock," (Gallup, 2013, pp. 56-57).

Author W. Page was one of the first advocates of employee relations and was an executive for a utility, serving as vice president of public relations for AT&T from 1927 to 1946. The highly regarded Page Principles based on his work support the value of brand ambassadors, advising communication leaders that "...a company's true character is expressed by its people. The strongest opinions — good or bad — about a company are shaped by the words and deeds of its employees. As a result, every employee — active or retired — is involved with public relations. It is the responsibility of corporate communications to support each employee's capability and desire to be an honest, knowledgeable ambassador to customers, friends, shareowners and public officials." (Arthur W. Page Society website, 2014).

This is supported by the definition of employee relations from the Universal Accreditation Board's (UAB) APR Study Guide (2010) as "activities designed to build sound relationships between an organization and its employees, and a critical element in fostering positive attitudes and behavior of employees as ambassadors for the organization," (p. 17).

There is much research based on the premise that employees play a key role in building an organization's brand. Morhart, Herzog and Tomczak (2009) compile terminology for employees who demonstrate brand-building behavior, including "brand ambassadors," "brand maniacs," "brand champions," and "brand evangelists," and they define employee brand-building behavior as "employees' contribution (both on and off the job) to an organization's customer-oriented branding efforts," (p. 123).

"Frontline employees humanize a service brand and help customers connect emotionally to it. Long-lasting relationships are likely to spark feelings of closeness, affection and trust of customers toward brand representatives, all of which play into a brand's competitive advantage... it is crucial that representatives treat customers in a way that is consistent with the brand promise the organization conveys through its public messages.... ... employees' personal advocacy of the organization's product and service brands outside the job context is a credible form of advertising for actual and potential customers" (Morhart, et al, p. 123).

One of the most well-known companies to leverage the power of brand ambassadors is Starbucks. “Starbucks doesn’t generally run commercials. What it does do... is to mobilize its employees to be brand evangelists. Baristas are not just baristas—they are ambassadors of brand, merchants of romance, disciples of delight.” The company recently invested \$35 million to sell its employees on the brand (Kessler, 2012).

Employees are a credible source of information, both on and off the clock. They can be inaccurate, ignorant or apathetic. They can be detractors and critics. Or they can be advocates and ambassadors. For better or worse, employees have the power to make or break brand reputation and be its best asset or worst liability.

Research by White, Vanc and Stafford (2010) supports the position that, “Employees are the face of an organization and have a powerful influence on organizational success” (p. 66). But they also caution, “Employees can be an organization’s best ambassadors or loudest critics, depending on how they get information” (from Howard, 1998, p. 66). They affirm that organizations achieve a “competitive advantage” from the “positive contributions that well-informed employees can make to a company’s external public relations efforts” (p. 66).

Successful organizations recognize that employees are powerful ambassadors and public relations is everyone’s job. It follows that, co-op employees should be a number one audience for organizational communication. They should be given information, tools and training to perform their job effectively and represent their organization with external stakeholders.

Employees are a trusted source of organizational communication, according to the Edelman Trust Barometer (Edelman Berland 2014). “The public wants to hear directly from employees as ambassadors for the company who can attest to its integrity, the quality and relevance of products and services offered and the operational strength of the company, including its leadership,” (p. 7).

A study by King and Grace supports the case for building employee-based brand equity (EBBE) as a driver of positive organizational performance. When employees are given relevant information about the brand and their expectations, they demonstrate a commitment to the organization’s goals and positive word-of-mouth, “the extent to which an employee is willing to say positive things about the organization and ready to recommend the organization to others (King & Grace, p. 949).

Employee advocacy is a strategic priority. “Each point of contact between the brand and its customers is an opportunity to communicate brand values and to enhance the brand” (Kimpakorn and Tocquer p. 532).

A paper by Kim and Rhee (2011) in the *Journal of Public Relations Research* affirms that “employees are regarded as one of the most strategic constituencies because they interact with external publics on a daily basis” (p. 243). Most distinct from this study because of its impact on advocacy, employees with good relationships are likely to share positive aspects about their organization during interactions with others (megaphoning); they are also more likely to seek information about their organization (scouting). The study finds that “symmetrical communication behavior, characterized by trust, credibility, openness, reciprocity... horizontal communication, feedback and negotiation” (p. 252) contributes to the development of positive employee-organizational relationships and increase the likelihood of positive scouting and megaphoning.

It's also important to note today's technology gives employees a voice that's more powerful than ever before. According to research by Aggarwal, Gopal, Sankaranarayanan & Singh (2010), employees are often the voice of the organization in blogs and social media; they are a trusted source of information.

A *Harvard Business Review* article by Mitchell (2002), "Selling the Brand Inside" validates internal branding with case studies from large, international business organizations, including Hewlett-Packard, Sears, IBM, United Airlines, Deutsche Bank, Southwest Airlines and Miller Brewing Company. Mitchell says it's common to market to customers, but the employee market is just as important. He recommends applying the principles of consumer advertising to internal communications to help employees understand and live the brand promise. The next section discusses the application of communication theory to build employee-based brand advocacy.

**Applying communication theory to internal communication**

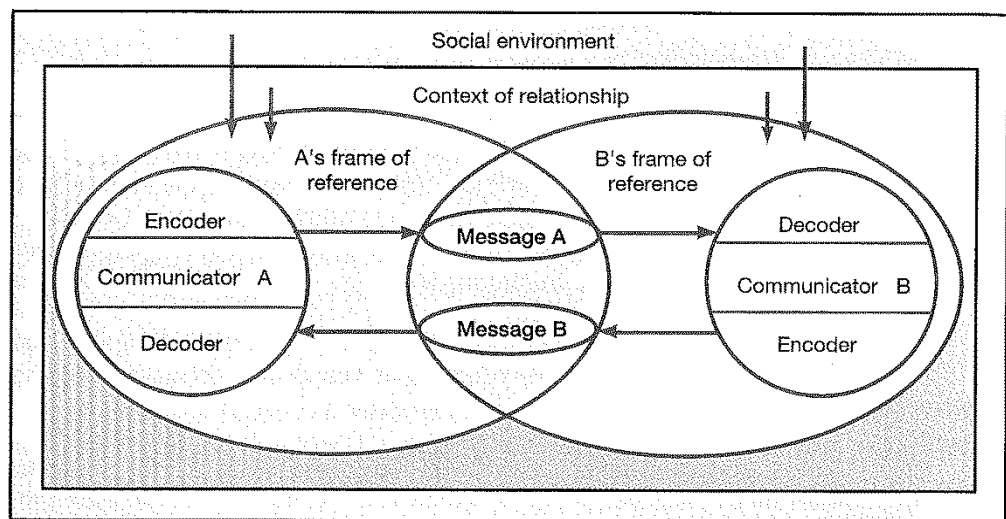
The literature review makes the business case for employee relations and internal communication. Next, this paper considers key communication models to show how Polk-Burnett can build positive employee relationships and engage employees with effective internal communication.

**Communication models: Shannon and Weaver, Schramm**

Communication is a complex process. Language is ambiguous and individuals interpret messages based on the context of their lives. The law of large numbers explains that "messages sent to enough people could be interpreted in almost any conceivable way (Clampitt, 2010, p. 19). The probability of understanding tells us that sent does not equal understood (Clampitt, 2010), and "The myth of communication suggests that sending a message is the same as communicating a message," (Cutlip, Center & Broom, 2000, p. 251).

An early, basic model of communication from Shannon and Weaver consists of a sender, a message, a channel and a receiver (Cutlip, et al, 2000, p. 251). Wilbur Schramm's communication model is a "two-way process in which sender and receiver operate within the contexts of their respective frames of reference, their relationship and the social situation," (Cutlip, et al, 2000, p. 252).

"Wilbur Schramm pointed out, communication is complicated by people... to understand the human communication process one must understand how people relate to each other," (Cutlip, et al, 2000, p. 252).



**Communication Process Model, Wilbur Schramm (Cutlip, et al, 2000, p. 252)**

Often communicators blame the audience for not accepting a message when the sender, message or channel is not correctly applied (UAB, 2010). The UAB identifies these barriers to effective communication: fuzzy language, misalignment with culture and values, history of distrust, distractions, negative influencers, lack of source credibility, unreliable or inappropriate media, captive audiences and gatekeepers (p. 31). All must be considered to ensure effective communication. The *7 Cs of Communication* can help overcome these barriers: 1. Clarity; 2. Credibility; 3. Content; 4. Context; 5. Continuity; 6. Capability; 7. Channels (UAB 2010, pp. 31-33, *Effective Public Relations*, 2000, pp. 345-346).

#### ***Arrow and circuit communication models: Clappitt***

Clappitt (2010) uses a dance metaphor to describe communication. He offers two methods of communication: 1) the arrow method is a one-way communication method based on the Shannon and Weaver model, and 2) the circuit method is two-way communication based on the Schramm model. Arrow managers believe that effective expression results in effective communication, and circuit managers believe that understanding is the goal of effective communication. Clappitt suggests the arrow approach may actually be more productive because “time-wasting communication activities are eliminated,” (p. 31). However, the standard for public relations today is two-way, symmetrical communication between a sender and a receiver. Two-way communication fosters engagement and ownership by giving audiences a stake in the exchange. “Effective communication is a shared commitment between senders and receivers,” (p. 28.)

#### ***Two-way symmetrical relationships: Grunig***

James Grunig and others leaders in the field define four models of public relations: one-way press agency, one-way public information, two-way asymmetrical and two-way symmetrical (UAB, 2010; Center, 2013). Grunig’s two-way symmetrical model is recommended in public relations today as “the most effective model for achieving organizational objectives” (Kelly, et al, 2010, p. 192). It is a mutual adjustment process that requires both the organization and public to change behavior for mutual benefits. It uses dialog and negotiation, and is ethical and socially responsible (Kelly, et al, 2010). The dialogic theory of public relations is a similar two-way communication model that fosters trusting, long-term relationships through listening, finding shared ground, trust, mutuality, empathy and commitment (Kent & Taylor, 2002).

In defining the other models, the purpose of press agency is propaganda; communication is one-way and truth is not important. The public information model is one-way dissemination of factual information. The two-way asymmetrical model uses research to develop persuasive messages intended to change the audience behavior without changing organizational behavior (Kelly, et al, 2010). It’s “... using communication to get members of a public to do what the organization wants them to do,” (Grunig, 1993, p. 128). This two-way symmetrical model is a mutual understanding model; it is one of mutual adjustment (UAB, 2010).

Effective communication today requires more than one-way news dissemination. Grunig (1993) supports that effective public relations extends beyond symbolic communication to long-term behavior relationships, where communication can be used to help improve the behavioral relationship. Organizational problems and opportunities can’t be addressed with message dissemination alone. In fact, one-way communication rarely leads to behavior change (Center, 2013). To build long-term behavior relationships with strategic publics—like employees—you must have “reciprocity, trust, credibility, mutual legitimacy, openness, mutual satisfaction and mutual understanding,” (Grunig, 1993, p. 135).

### ***Behavior is the only outcome that counts: Jackson and Therkelsen & Fiebich***

Like Grunig, Pat Jackson recommends moving “beyond communication to behavior,” (Center, 2013, p. 19). Behavior was the goal of strategic communication as far back as 1900, when Harlow Gale defined the two aims of advertising as: 1) to attract attention and 2) to induce to buy (Eighmey, Spring 2012 and Gale, 1900, p. 39). Wehrenberg’s universal drivers take consumers on a similar journey that results in action. He teaches that communication strategy must be set to achieve certain outcomes, including brand awareness, emotional bond, product news, product experience, loyalty, activation and buzz, (Wehrenberg, 2013). And when Eighmey’s four elements of strategic communication are used, action is the result and communication is positioned to succeed. These elements include 1) identifying the target audience, 2) defining the competitive frame, 3) using messages with unique value propositions and 4) concluding with a desired action (Eighmey, Fall 2012).

Pat Jackson’s behavioral communication model counsels that “behavior is the only goal that truly counts. What stakeholder groups think or feel about an organization or product means very little unless they ‘behave’ in such a way that makes a difference. This means motivating people to 1) do something, 2) not do something, or 3) let you do something.” (Center, et. al. 2013, p. 13). With that in mind, the goal of internal communication at Polk-Burnett is not to inform or educate, but to share the co-op story through advocacy.

To be effective and lead to action, internal communication at Polk-Burnett should follow Jackson’s behavioral model steps (Center, 2013, pp. 14-15):

1. Create awareness, which rarely leads to behavior change alone.
2. Build latent readiness/desire to act. Before deciding to act, most people have a social trial by asking friends and opinion leaders. Core values and norms impact latent readiness.
3. Capitalize on or plan triggering events, activities or timing that motivates stakeholders to act.
4. Lead people through intermediate behaviors and build relationships to drive employee behavior.

Like Jackson, Therkelsen and Fiebich (2001) state that behavior is “always the ultimate goal” of strategic communication (p. 387). Their message to desired action model is based on the work of Jackson and suggests there are “...six steps that stand between a message and its potential impact on behavior,” (p. 375). Their research concludes “...communication is successful only if it overcomes each of six hurdles: reach, attention, understanding, belief, recall and action,” (p. 374).

To be successful, a message must be received by the intended individual or audience. It must get the audience’s attention. It must be understood. It must be believed. It must be remembered. And ultimately, in some fashion, it must be acted upon. Failure to accomplish any of these tasks means the entire message fails, (p. 375).

### ***Channel, source and messaging: the Yale studies***

The Yale Studies by Carl Hovland and others in the 1950s offer another useful model for effective persuasive communication with four variables: source effects, message effects, recipient effects and channels effects. Source effects consider who delivered the message. Message effects consider how information is presented. Recipient effects consider how the audience will respond to the message. And channel effects consider media choices. (Eighmey, Spring 2012).

When considering channel and source effects for effective internal communication, Wood (2014) recommends face-to-face as the best channel for important information and immediate supervisors as the trusted source where most employees prefer to receive information; frontline supervisors are a trusted and credible source of information. This aligns with literature reviewed in the previous section on employee engagement, and supports the need for source credibility from supervisors to employees and employees to external stakeholders.

### ***Trustworthy sources and leadership***

Trust is a key issue for all types of organizations today. The Edelman Trust Barometer (Edelman, 2014) reports declining trust in government and media, and stable, but concerning levels of trust in businesses, following an upswing in economic recovery. For external stakeholders, employees are the most trusted source of information (Edelman, 2014). Internally, trust in leadership directly impacts communication effectiveness. Six components of trust include openness by sharing both good and bad news, along with reasons why; shared values and vision; consistency of words and action; appreciation; feedback and autonomy (Center, 2013).

Kouzes and Posner wrote about the importance of leadership credibility today. Their article, “Leading in Cynical Times” suggests that a disengaged workforce is a result of cynicism in the workplace, “disillusionment or a sense of being let down,” (2005, p. 358). They propose that “credibility is the foundation of leadership,” (p. 359) and define critical leadership attributes as being honest, forward-thinking, inspiring and competent.

Trust in leadership demands strong communication competency. Paul E. Madlock studied the link between leadership and competent communication. His research found that supervisor communicator competence is a strong predictor of employee satisfaction. “When leaders communicate effectively, their followers experience greater levels of satisfaction” (2008, p. 62).

### ***Diffusion theory***

Diffusion of innovation theory is also important for effective internal communication because it explains how employees adopt or reject ideas. The diffusion process is lengthy and does not happen quickly, nor does adoption occur with awareness alone. The five stages of the diffusion process are awareness, interest, evaluation, trial and adoption (Universal Accreditation Board, 2010). These stages align with Pat Jackson’s behavioral communication model (awareness, latent readiness, triggering event, intermediate behavior), Therkelsen and Fiebich’s message to desired action model (reach, attention, understanding, belief, recall and action) and Eighmey’s four strategic elements (attention, competitive frame, value proposition, desired action); all of which lead to the adoption (or rejection) of behavior.

### ***Social exchange theory: What’s in it for me***

Gabby Nelson, director, internal and external communication, Select Comfort Corporation, supports the use of internal communication to lead organizational change. She said that effective internal communication must be linked to organizational vision and goals, and recommends getting employees to care by showing what’s in it for them (Nelson, 2012). Employees, like most people, act on what they perceive to be in their



best interest. This goal-oriented behavior is based on social exchange theory, where the value of the relationships is based on benefits and costs (Thibaut & Kelley, 1959).

### **RESEARCH QUESTION**

A major challenge facing Polk-Burnett today is building and communicating the value of co-op membership. A new strategy execution plan was launched in January 2014 to address this challenge. Before relationships can improve externally, co-op employees must be engaged in the business strategy of the cooperative. Employees must not only understand, but also live and share the co-op vision. Employees are a number one stakeholder for organizations, and competitive advantage (or disadvantage) begins with them.

This case study examines employee communication at Polk-Burnett to identify where gaps exist in information sent, information received and information shared, and makes recommendations to improve internal communication that lead to advocacy. Specifically, this case applies research and strategic communication theory to ensure co-op employees: 1) receive and understand co-op information, and 2) share co-op information. The desired outcome behavior is brand advocacy.

**RQ: How can Polk-Burnett improve the effectiveness of internal communication to help employees understand and want to share strategic messages?**

Lessons in strategic communication caution that sending information does not equal effective communication. Research will seek to learn if the co-op is sending strategic content and using effective channels and sources. Key questions include: Are co-op employees well informed? Do they understand the co-op mission and subjects of strategic importance? Do they have the information they need to feel committed to the organization and advocate on its behalf? Is there a gap between information sent, information received and information shared?

### **RESEARCH METHODOLOGY/DATA COLLECTION:**

An internal communication audit was conducted in spring 2014 to evaluate the effectiveness of employee communication at Polk-Burnett Electric Cooperative and learn if employees are well-informed and advocating on the co-op's behalf. The audit helped define the current situation and showed where gaps exist between information sent, information received and information shared.

The research plan included two quantitative research methods: a content analysis and an online employee survey, followed by qualitative one-on-one interviews with supervisors. The content analysis evaluated how often subjects of strategic importance are disseminated. When layered with an employee communication survey, a gap analysis compared what is being sent by the organization with what employees know and share. The survey also explored preferred communication channels, employee behavior and the flow of communication in the organization, particularly supervisor-employee relationships.

The final data collection method was qualitative research. One-on-one, in-depth interviews were conducted with department supervisors to review and discuss results of the employee communication survey. Supervisors were identified in the survey as a strong link between frontline employees and senior management and the board of directors. Supervisor insight can be combined with results of the content

analysis and employee communication survey to improve the effectiveness of internal communication at Polk-Burnett.

### **A. Content analysis**

The content analysis was part of an internal communication audit in the spring of 2014 to learn how Polk-Burnett Electric Cooperative can improve effectiveness of internal communication and lead employees to advocacy (Appendix A).

**Coder instructions:** Internal communications materials were coded for the presence of subjects of strategic importance. Subjects of strategic importance are defined as key drivers of strategy execution, member satisfaction and value. This quantitative method was descriptive research to quantify information disseminated to employees.

**Sample:** The study sample included seven formal internal, organizational-level communication channels during a six-month time period, from October 2013 to March 2014 (Appendix B). One was face-to-face and six were written communication; all but two were disseminated electronically via e-mail. All were prepared, disseminated and presented by senior management, with the exception of a few e-mails to all. The sample does not include department, supervisor or informal communication, which should be considered in future research. Internal communication channels for the research sample, October 2013-March 2014 included:

1. *Connections* Employee Newsletter (e-mail distribution, 12 issues)
2. *Powerlines* Member Newsletter, employee distribution (e-mail distribution, six issues)
3. E-newsletter (e-mail distribution, six issues)
4. E-Mail to All (e-mail distribution, 215 e-mails)
5. Quarterly All-Employee Meeting (face to face, one meeting, 58 slides)
6. Strategy Newsletter (e-mail, three issues)
7. Office Signage/Displays: Banners, Stickers, Screensaver, etc. (two office locations)

**Unit of analysis:** The categories or units of analysis were subjects identified as important to strategy execution, member satisfaction and value. Prior coding was used, meaning categories were established before the data was collected because of its value to members and strategy execution.

### **Categories of analysis: content subjects of strategic importance**

1. Mission, Vision, Values
2. Capital Credits
3. Rate Relief
4. EnergySense Rebates
5. Social Media
6. Smart Hub
7. Outage Map
8. Energy Savers
9. Community Service & Employee Ambassador Program
10. Cooperative Difference/ Co-op Business Model
11. Other

**Coding:** The content unit or subject matter was counted each time it appeared in the sample. The majority was manifest content and was obvious, easy to observe and measure by name or logo. However, three content units were latent content: energy savers, community service and cooperative difference/business model were not easily observed and measured by name or logo; this content was coded each time the theme appeared. Specifically:

- Energy savers was coded with any appearance of information that promised to save energy or lower electric bills.
- Community service was coded with each appearance of the co-op's youth scholarship program, Operation Round-Up charitable giving program and donations of volunteer time, money and gifts.
- Cooperative difference/co-op business model was coded when content included information about the principles of cooperative membership, such as board representation.

**Mutually exclusive and exhaustive:** The study was mutually exclusive, with all items placed into only one category, and exhaustive, with all content counted. If content didn't fit into a category unit it was described and labeled as *Other* and defined.

**Reliability:** To ensure intra-coder reliability, content was coded by one coder two times in March and again in April, using the same sample material and coding instructions. *Intra-coder* reliability is tested when the same individual codes a set of data twice at different times (Wimmer & Dominick, 2014, p. 180); whereas *inter-coder* reliability is two coders working independently (Wimmer & Dominic, p. 174). Both can achieve reliability, when the measure of data is consistent and dependable to yield the same or similar results over time (Wimmer & Dominick, 2014). For this study, content was coded twice by the author with reliable results in for all but one unit of analysis. This was an internal analysis, and the author is the communication director for Polk-Burnett Electric Cooperative; researcher bias is discussed in the limitation section.

### ***B. Employee survey***

An online employee communication survey was conducted April 2 to 9, 2014, to determine if the co-op communicates effectively with employees. Honest feedback was sought to improve internal communication, strategy execution and member satisfaction. The survey was a follow-up to the January 2014 employee engagement survey.

The survey tested employee knowledge, recall and advocacy of subjects of strategic importance. Research also explored preferred communication channels, employee behavior and the flow of communication in the organization, particularly supervisor-employee relationships. Results were segmented for comparisons, according to work function (office v. field), work location (Centuria headquarters v. Siren branch office) and co-op membership v. non-membership. Segmented results were not studied as part of this project, but provide valuable information for additional study.

The survey was anonymous; names and positions were not collected, and the researcher could not connect individual participants with the information they provided. Beyond this, individual results were not collected or analyzed. Anonymity was of particular importance for this employee sample to protect the privacy of individuals and instill confidence that honest feedback could be shared without fear of reprisal from the employer.

**Survey questionnaire, notification and dissemination:** The survey questionnaire (Appendix C) was developed using Survey Monkey and pretested by senior management before sending to the survey sample. The survey had 50 questions and took about 15 minutes to complete. The survey was supported by management and distributed via e-mail by the co-op's communication director. Employees were encouraged by supervisors to complete the survey during work time on office computers and iPads. Employees were notified in advance about the survey with an e-mail to all employees on Monday, March 31 (Appendix D) and again in the Tuesday, April 1 *Strategy Newsletter* (Appendix E). Survey instructions and a link to the online survey were distributed to 45 electric employees via e-mail on Wednesday, April 2 (Appendix F). The survey closed the following Wednesday, April 9, giving employees a week to complete the survey. All who completed the survey were eligible to enter a drawing for a \$25 gift card to a local retailer. Drawing entry forms and drawing boxes were placed in employee break rooms and were not connected to the survey to ensure anonymity. Survey results were collected and analyzed using Survey Monkey. Aggregate survey results were reviewed by co-op management April 21 and shared with employees April 22 for complete transparency in the process, and to initiate an equally transparent action plan. Notifications and the drawing were used to increase response rates. (Appendix G.)

**Survey population:** Polk-Burnett Electric Cooperative has 59 full-time employees, including a general manager, six senior staff, five middle managers, 16 linemen, nine member services representatives, two engineers, two right-of-way specialists, two buildings and grounds employees, one mechanic, two IT employees and two accountants. In addition, the propane subsidiary employs seven.

**Survey sample:** The survey sample included 45 employees of Polk-Burnett Electric Cooperative. The sampling frame removed the general manager and six senior managers, as well as seven employees from the co-op's propane subsidiary. The survey was e-mailed to the remaining 45 electric employees. This aligns with the sample for the co-op's annual employee engagement survey.

**Response rate:** Forty-five surveys were completed; however, two of the 45 electric employees in the sample were on leave. The study was seeking 43 completed surveys to achieve a 100-percent response rate. After investigating possible causes for over-achieving the completion goal, it is reasonable to assume that two employees started the survey and returned to finish it later, which generated multiple results on parts of the survey. Data from all 45 completed surveys were collected and analyzed for the study, and the precision of the data should be discounted to a very small degree, about a half-percent.

**Questionnaire design:** The survey began with general questions about channel, source and content preferences, and then moved to more specific questions about the quarterly all-employee meeting, the twice-monthly *Connections* employee newsletter and the monthly *Powerlines* member newsletter, asking about readership, understanding and advocacy behavior.

The survey then tested knowledge and advocacy about nine subjects of strategic importance analyzed in the content analysis:

1. Mission, Vision and Values
2. Rate Relief
3. EnergySense Rebates
4. Social Media

5. Smart Hub
6. Outage Map
7. Energy Savers
8. Community Service & Employee Ambassador Program
9. Cooperative Difference/ Co-op Business Model

Survey questions asked for feedback to determine if internal communication followed Center's rules for effective employee relations (Center, 2013, pp.24-25).

1. Telling bad news along with the good, and being open and candid to build trust, common purpose and productivity.
2. Ensuring timeliness
3. Informing employees on subject they consider important.
4. Using media employees trust.
5. Receiving consistent messages; one voice demonstrates accuracy and trustworthiness.

Gabby Nelson (2012), director of internal and external relations for Select Comfort, recommended during a lecture that organizations survey their employees to know if employees can restate your mission and goals. "You all need to be paddling in the same direction."

The survey also included follow-up questions based on the co-op's employee engagement survey and asked for feedback about supervisor trust, organizational pride and motivation to stay informed, share co-op information and work for the cooperative. The survey concluded with demographic questions to segment the sample for comparison.

**Question type:** The employee survey intentionally used Yes/No multiple-choice questions, instead of rating scales. Multiple-choice questions were mutually exclusive and simple; this helped ensure the lengthy, 50-question survey could be taken quickly and easily. Most important, they fit the purpose of the research and the desire of the co-op by forcing employees to take a stand on issues one way or the other.

All multiple-choice questions with the exception of demographic questions required a response. The order of all multiple-choice answers options were randomized, except for Yes/No responses and answer choices that followed a logical sequence (Always, Usually, Sometimes, Never). If the response was *Other* or *Never*, the employee was asked to specify what or why. The survey also included a few open-ended questions.

### ***C. One-on-one supervisor interviews***

One-on-one, in-depth interviews were conducted with department supervisors to discuss results of the employee communication survey. These topics can be sensitive, personal and emotional for supervisors; one-on-one dialog generated constructive feedback, where a focus group would not be conducive to a candid discussion. In-depth interviews were effective because they allowed extensive, detailed probing of supervisor attitudes and behavior.

Interviews were scheduled May 21 and 23, 2014, at convenient times and locations for supervisors. Supervisors were invited to participate via e-mail (Appendix H). Interviews were about one hour long.

The research sample included five middle-level managers who are also supervisors of frontline employees. Participation was voluntary, and all five were interviewed, for a 100-percent response rate.

A standard set of seven questions was used for all interviews (Appendix I); however, questions were highly flexible and the conversation was fluid. Questions focused on positives and negatives of the employee survey, trust and communication competence. The interviewer was specifically looking for examples of two-way communication, collaboration and participatory decision making, and the elements of trust: competence, caring, consistency and communication. The final question asked, “What can you do as a supervisor to help build a workforce of well-informed brand ambassadors?”

In-depth, one-on-one interviews with Polk-Burnett supervisors are confidential; responses will not be linked to the individual supervisor.

An analysis of interview comments helped identify key themes and nuances to the quantitative elements of the survey. Insights and themes from supervisor interviews will be used to develop action steps for the next meeting of supervisors and senior managers and recommendations to improve internal communication at Polk-Burnett.

## **FINDINGS**

### ***A. Content analysis results***

Content was coded in March and again in April, using the same sample material and coding instructions. The analysis was reliable, mutually exhaustive and exclusive. Subjects of strategic importance were quantified as follows:

#### **Content Quantity from March Analysis:**

|                            |     |
|----------------------------|-----|
| 1. Other                   | 347 |
| 2. Mission, Vision, Values | 42  |
| 3. Community Service       | 41  |
| 4. EnergySense Rebates     | 32  |
| 5. Rate Relief             | 27  |
| 6. Social Media            | 19  |
| 7. Outage Map              | 12  |
| 8. Co-op Business Model    | 11  |
| 9. Smart Hub               | 11  |
| 10. Energy Savers          | 11  |
| 11. Capital Credits*       | 8   |

*\*Six-month time frame was off-cycle for Capital Credits*

#### **Content Quantity from April Analysis:**

|                            |     |
|----------------------------|-----|
| 1. Other                   | 341 |
| 2. Community Service       | 46  |
| 3. Mission, Vision, Values | 45  |
| 4. EnergySense Rebates     | 28  |
| 5. Rate Relief             | 26  |
| 6. Energy Savers           | 22  |
| 7. Social Media            | 18  |
| 8. Co-op Business Model    | 12  |
| 9. Outage Map              | 11  |
| 10. Smart Hub              | 10  |
| 11. Capital Credits*       | 8   |

*\*Six-month time frame was off-cycle for Capital Credits*

*Mission, Vision and Core Values, Community Service:* Mission, vision and values, and community service appeared most often in internal communication materials, especially in the *Connections* newsletter, the all-employee meeting and the Strategy newsletter.

*EnergySense Rebates, Rate Relief, Social Media:* The next subjects to appear most frequently were EnergySense rebates, rate relief and social media.

*SmartHub, Outage Map:* These subjects appeared a moderate number of times, and more often in the *Powerlines* and e-newsletter, which are publications targeted for members, but also sent to employees.

*EnergySavers:* This was the only subject that was coded significantly more often in April than in March, primarily in the e-newsletter. Like SmartHub and outage map, this subject appeared a moderate number of times, and more often in the e-newsletter, which is targeted primarily to members, rather than employees.

*Co-op Business Model:* This subject appeared a moderate number of times.

*Capital Credits:* This subject appeared the least; however, capital credits, are heavily communicated just prior to content analysis time frame.

*Other:* The purpose of the content analysis was to quantify the number of times subjects of strategic importance appeared in co-op publications. However, to ensure research was exhaustive, all content was coded. Content not defined as a strategic subject of importance was coded as *Other*. This catch-all category has significantly higher counts than strategic-subject categories. The types of content coded as *Other* included employee birthdays, anniversaries and other recognition, as well as employee celebrations and holidays, benefits and perks, IT security and general housekeeping-type announcements. A complete list of content in the *Other* category is provided in Appendix A.

The content analysis evaluates the frequency that subjects of strategic importance were sent. With the exception of capital credits, all were communicated moderately and some were communicated frequently. One can suggest from the type and amount of content in the *Other* category, that internal communication includes a lot of recognition and good-to-know information. Knowledge and advocacy of strategic subjects were evaluated in the employee survey.

### **B. Employee survey results (Appendix J)**

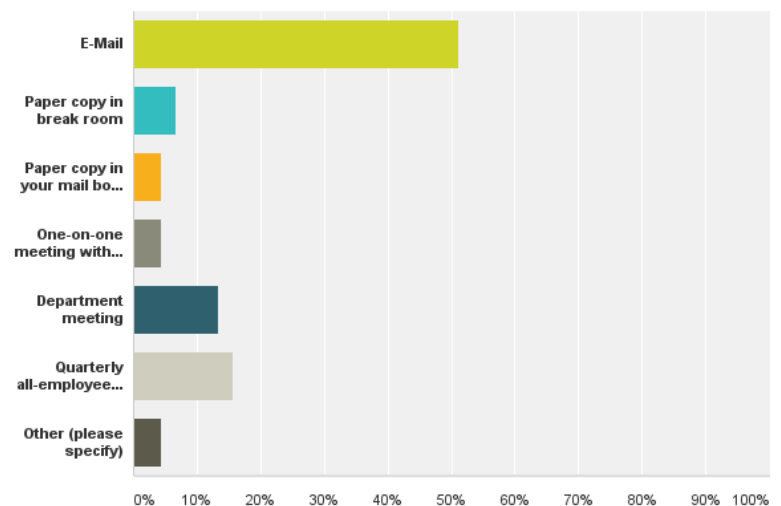
Overall survey results were encouraging, with most employees demonstrating awareness and knowledge, and a moderate level of advocacy. Results are presented for 45 completed surveys, and may be slightly skewed because two employees completed some questions twice.

#### **Channel preference**

E-mail is the number one channel to receive news about the cooperative, preferred by more than 50 percent of employees. Face-to-face meetings were preferred a distant second, with quarterly all-employee meetings preferred by 15 percent of employees and department meeting preferred by 13 percent of employees. Paper copies and one-on-one meetings with supervisors were least preferred.

**Q1 How do you prefer to get your news about the co-op? Select one:**

Answered: 45 Skipped: 0



When results were segmented by work function, 83 percent of office employees preferred to receive co-op news via e-mail, while just 26 percent of field employees indicated this preference. The all-employee meeting tied with e-mail as the preferred channel for field employees, with 26 percent each.

When asked how often employees check work e-mail during working hours, the top answer was about once a day for 50 percent of employees. Slightly behind that with 38 percent of employees was about once an hour. Just four employees, 9.5 percent, check about once a week, and only one employee, 2 percent, checks e-mail about once a month. The co-op can be confident that e-mail information is received at least daily by the majority of employees.

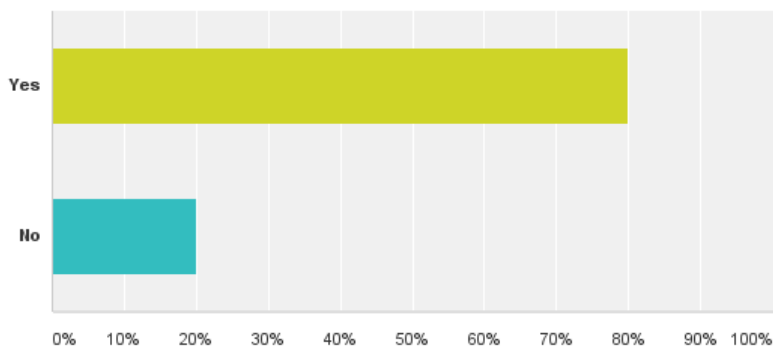
When results were segmented by work function, 72 percent of office employees said they check e-mail hourly, and 22 percent said daily. Seventy-nine percent of field employees said they check e-mail daily, and 21 percent said weekly.

The all-employee meeting is considered a good use of time by 80 percent of employees, and 84 percent said the all-employee meeting provides good information. In addition, 88 percent said they *usually* or *always* understand the information presented.

The twice-monthly *Connections* employee (internal) newsletter is *always* read by 51 percent of employees and *usually* read by an additional 20 percent. The monthly *Powerlines* member (external) newsletter is *always* read by 42 percent of employees, *sometimes* read by 31 percent of employees and *usually* read by 20 percent.

### Q3 Is the quarterly all-employee meeting a good use of your time?

Answered: 45 Skipped: 0



### Content

Employees believe the co-op does a good job providing the right amount of timely and important information.

An overwhelming 95 percent of employees said the co-op provides them with information they consider important. A total of 84 percent of employees said they receive information from the co-op in a *timely* manner, and 71 percent said they receive the *right amount* of information. Just one employee (2 percent) said the co-op provides too much information; however, 27 percent said it provides too little.

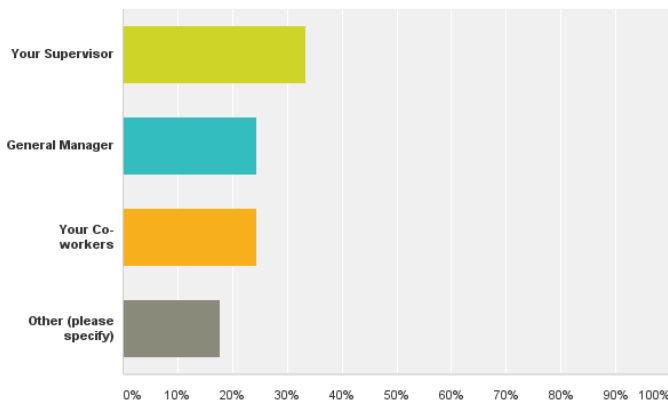
### Trust

While one-on-one meetings with supervisors were the least preferred channel for co-op information, supervisors are the most trusted source of co-op information for 33 percent of employees, followed by the general manager and co-workers with 24 percent of responses each.

Almost 60 percent of employees said my supervisor is a

### Q2 Which source to do you trust most for co-op information? Select one:

Answered: 45 Skipped: 0





good communicator, and 62 percent said I can count on my supervisor to do what he/she says he/she will do. Slightly more than 50 percent said they trust their supervisor.

When asked if the co-op is open and candid with employees, sharing bad news along with the good, most employees said *usually* (47 percent) or *sometimes* (42 percent). Four employees (9 percent) said *never*.

In a related question, 71 percent said they *sometimes* receive inconsistent messages from the co-op, reading one thing in the newsletter, but hearing or seeing a different message from a supervisor or a co-worker, while 20 percent said messages are *never* inconsistent.

**Gap analysis: Knowledge of subjects of strategic importance (Appendix K)**

Employee knowledge was tested in a number of subjects that are strategically important to the cooperative. Overall, co-op employees are well-informed and knowledgeable. Advocacy didn't rate as high as knowledge, and is discussed in the next section.

*Cooperative Business Model:* An overwhelming 89 percent of employees said the co-op provides them with information about the cooperative business model and how Polk-Burnett is different than an investor-owned utility, and a higher number, 93 percent of employees said they could explain the difference. *Gap Analysis:* Employees are well-informed and confident in their knowledge about this subject that appeared a moderate number of times in the content analysis.

*SmartHub:* Twenty-seven employees, 61 percent, said they could name a benefit of SmartHub, and 25 employees entered an acceptable short answer. *Gap Analysis:* Knowledge is moderate for this subject that appeared a moderate number of times in the content analysis, and more often in the *Powerlines* and e-newsletter, which are publications targeted for members, but also sent to employees.

*Rate Relief:* A large majority of employees, 96 percent, correctly answered "What was reduced for rate relief?" Thirty-seven employees, 84 percent, said they could name one reason Polk-Burnett implemented rate relief for members, however, just 22 employees entered an acceptable short answer. *Gap Analysis:* This subject appeared frequently in internal communication materials, and this is the lowest number of acceptable answers to a knowledge question.

*Capital Credits:* A large majority of employees, 93 percent, said they could name one reason why Polk-Burnett allocates and distributes capital credits to members. When asked to provide a reason, 36 employees entered an acceptable short answer. In addition, 80 percent of employees correctly answered the question, "What is our new method of distributing capital credits to members. *Gap Analysis:* Knowledge is high for this subject that was present least often; however, the capital credits are heavily communicated every fall, just before the content analysis began.

*Values, Mission, Vision:* Employees were also asked to name without looking two of the co-op's new core values, three key points from the new mission statement and four elements from the new vision statement:

- 34 employees provided core values that aligned with values
- 16 provided mission points that aligned with mission statement
- Nine provided vision elements that aligned with vision statement

*Gap Analysis:* Knowledge is moderate and somewhat disappointing for this subject, which along with community service, appeared most often in internal communication materials, especially in the *Connections* newsletter, the all-employee meeting and the Strategy newsletter.

**Gap analysis: Advocacy of subjects of strategic importance (Appendix K)**

Employee advocacy was tested for a number of subjects that are strategically important to the co-op. For subjects where advocacy was tested, more than 50 percent of employees said they shared strategic information on the co-op’s behalf, some subjects better than others (see Appendix K).

|                      |  |
|----------------------|--|
| Community service    | 66% participated in a community project                    |
| EnergySense rebates  | 61% shared with others                                     |
| Co-op business model | 52% shared with others                                     |
| Social media         | Just 18% follow, but 100% of those like, share and comment |

*Outage Map:* A majority of employees, 66 percent, have used the co-op’s outage map, and 52 percent of employees have showed or told someone else how to use it. *Gap Analysis:* This subject appeared a moderate number of times, and more often in the *Powerlines* and e-newsletter, which are publications targeted for members, but also sent to employees. Appearance and advocacy are aligned.

*Social Media:* Fewer employees, just 18 percent, follow the co-op on Facebook or Twitter; however, all eight of them, or 100 percent of employees who follow the co-op on social media, have liked, shared or commented on the co-ops social media pages. Polk-Burnett’s social media presence is fairly new with just 217 Facebook likes and 500 Twitter followers (Polk-Burnett Communication Plan, 2014). *Gap Analysis:* The subject of social media appeared frequently in internal communication materials, and advocacy is extremely positive for those who follow or like the co-op’s social media pages, because 100 percent have taken the time to like, share or comment.

*EnergySense Rebates:* The majority of employees, 77 percent, are aware of the co-op’s EnergySense rebate program, and 61 percent have told someone about it. *Gap Analysis:* This subject appeared frequently in internal communication materials. Appearance and advocacy are aligned.

*Community Service:* A full 100 percent of employees are aware of the co-op’s Community Service/Employee Ambassador program; 80 percent of employees believe the program is beneficial for Polk-Burnett, and 66 percent have participated in the program. *Gap Analysis:* This subject appeared most often in internal communication materials, especially in the *Connections* newsletter, the all-employee meeting and the Strategy newsletter. Content appearance, awareness and advocacy are aligned.

**Advocacy by communication channels**

Employees most often said they *sometimes* pass co-op information on to family, friends, members and others as a result of something they’ve heard at the all-employee meeting, or read in the *Connections* employee newsletter or *Powerlines* member newsletter.

*All-Employee Meeting:* Following the all-employee meeting, 64 percent of employees said they *sometimes* share information, and another 24 percent said *usually* share information. Four employees (9 percent) responded *always*, and one (2 percent) responded *never*.

*Connections*: From the *Connections* employee newsletter, 56 percent of employees said they *sometimes* share information, and 13 percent said *usually* share information. Five employees (11 percent) responded *always*, and nine (20 percent) responded never.

*Powerlines*: From the *Powerlines* member newsletter, 56 percent of employees said they *sometimes* share information, and 20 percent said *usually* share information. Three employees (7 percent) responded *always*, and eight employees (18 percent) responded never.

|  |                |
|--|----------------|
| Do you share information with family, friends after work?                      | Yes, 65%       |
| How often do you share information from the all-employee meeting               | Sometimes, 64% |
| How often do you share information from <i>Connections</i> employee newsletter | Sometimes, 56% |
| How often do you share information from Powerlines member newsletter           | Sometimes, 56% |

### ***Motivation to stay informed, share and work***

When asked about being proud to work for Polk-Burnett, employees were divided; 36 percent said *usually*, 33 percent said *always* and 26 percent said *sometimes*. Just two employees, 5 percent, said *never*.

When asked about wearing Polk-Burnett logo clothing after working hours, a voluntary behavior that publicly acknowledges and demonstrates pride in the workplace, 58 percent responded *no*.

However, a larger number, 65 percent of employees, said they share information with family and friends *after* working hours, which demonstrates advocacy behavior.

When asked what motivates them to *stay informed*, 43 employees provided short answers. The following themes appeared most often:

- Staying informed is part of my job.
- To answer questions, assist members and pass information on to members.

When asked what motivates them to *share information*, 43 employees provided short answers. The following themes appeared most often:

- Answering questions and providing explanations are part of my job.
- To benefit and help members.
- To promote the positive things we do and improve our image.

When asked why they work for Polk-Burnett and what motivates them to come to work each day, 43 employees provided short answers. The following themes appeared most often:

- Paycheck, benefits, retirement.
- Like the work, co-workers and the people I interact with.
- Things have changed here and working here gets tougher all the time.
- I believe in what I do and that I make a difference here.

### ***Demographics***

The survey concluded with four demographic questions about length of employment, co-op membership, work environment and work locations. These questions were optional and provided rich data for future research.

*Length of Employment*: Slightly more than half of the employees who responded, 53 percent, have worked for Polk-Burnett for 6 to 20 years. The next largest employee segment was 21+ years with 38 percent, and just 10 percent

(four employees) have worked for the co-op 0 to 5 years. This is typical for the electric co-op industry and could be studied further. The co-op can use this information for succession planning and explore if people with longer employment history know and share more or less than employees with less longevity.

*Co-op Membership:* Co-op employees are almost evenly split between those who reported they are co-op members (51 percent or 21 employees), and those who are not (49 percent or 20 employees). Forty-one employees answered this question. A more complete study should be conducted to learn if co-op members make better employees by being more well-informed and advocating on behalf of the co-op.

*Work Environment:* Co-op employees are also almost evenly split between those who reported they work in the field (51 percent or 19 employees) and those who work in the office (49 percent or 18 employees). Thirty seven employees responded to this question. A more complete study should be conducted to learn if differences exist in knowledge and advocacy between field and office employees. This insight could lead to more effective targeting of internal communications, specifically by supervisors.

*Work Location:* More employees reported that they work at the Centuria headquarters (78 percent or 29 employees), than those who work from the Siren branch office (22 percent or eight employees). Thirty seven employees responded to this question. A more complete study should be conducted to learn if differences exist in knowledge and advocacy between field and office employees. This insight could lead to more effective targeting of internal communications by location and supervisors.

In hindsight, this study should not have asked demographic questions. The only data segmented for this report were two questions about e-mail as a communication channel. Results by demographic segmentation are important for future research, strategic decision making and employee relations/internal communication; however, they provided too much information for this case study and demographic questions created employee suspicion about the anonymity of the survey (see limitations and future research sections).

### ***C. One-on-one supervisor interview results***

One-on-one interviews were conducted with department supervisors to review and discuss the employee communication survey. Supervisors are a strong link to frontline employees and their insight can be combined with results of the content analysis and employee communication survey to improve the effectiveness of internal communication and competitive advantage at Polk-Burnett.

An analysis of interview comments identified key themes and nuances to the quantitative elements of the survey. Key findings and themes from Polk-Burnett supervisor interviews include:

#### ***Supervisor insights about culture/organizational relationships***

- Overall, survey results were mostly positive, with negative results from a small number of employees.
- We are a co-op family.
- Improving co-op performance will not happen without supervisor support and participation.
- Supervising people is tough. All supervisors perceive they are doing a good job, yet a couple of supervisors said there are other supervisors doing a poor job at the co-op.
- Today's employees have high expectations for co-op managers at all levels and are critical of decisions and actions.
- Newest employees seem the most enthusiastic. Polk-Burnett must capitalize on this, so their positive energy spills onto others, and negative energy from others does not dampen their fresh spirit.

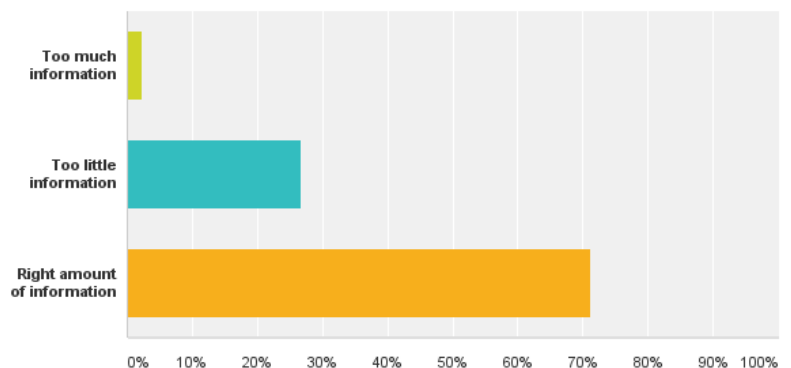
- Experienced employees should be given the task of mentoring new employees; this will give experienced employees a meaningful role and a feeling of empowerment. Employees learn best by teaching others and sharing what they know.
- Many employees don't understand what people in other departments do, and many employees don't understand what managers do. Boundary spanning would help build understanding and respect for work in other departments, for example job shadowing, job rotation and cross-department project teams.
- Employees don't feel they have a voice. They aren't allowed to speak freely. They don't have an advocate they can speak with on their behalf. For example, a recent culture shift moved from an open door policy where employees could speak freely with the general manager, back to chain of command, where employees are required to take concerns to their immediate supervisor, first. Employees may not feel free to openly discuss issues with a supervisor who has power to discipline and/or who may be the problem.
- Feelings of abuse exist. Supervisors say personnel issues are perceived to be conducted without care and compassion. Three recent situations were noted by supervisors, where they perceived coworkers were terminated without respect or compassion. One was asked to leave while her son was in critical condition in a Twin Cities hospital, one was terminated without being able to return to his desk or say goodbye to coworkers and another mysteriously left for no apparent reason after being on leave for months. This action (and lack of communication/understanding) impacts morale and makes employees fear that they may receive similar poor treatment from the co-op.
- Member satisfaction is low because of facility charge, but also because of perception of how co-op treats employees. Members and employees live and work together in a small community. They go to church together and the kids go to school together. The grapevine is active in small towns served by the cooperative, and members often hear news before employees.

**Supervisor insights about communication**

- All-employee meetings are valuable and provide positive ROI; continue meeting quarterly.
- Field employees don't have enough (designated) time to attend to e-mails.
- People may be satisfied with the way they receive information, but it may not be the right message or the whole story. This aligns with survey results, where just half of employees said supervisors provide both good and bad, candid information, and a little more than one-quarter of employees said the co-op doesn't provide enough information.
- To combat negativity and build support, provide complete, transparent information. Knowledge is power.
- For personnel and sensitive issues, let employees know "why," especially why the co-op can't share information.
- Address rumors with accurate information. Rumors start because of ignorance and an absence of information. When rumors are shared by a credible source, they are powerful and lead others astray.
- Don't sugar coat information. Being more open with facts, both good and bad, will stop rumors and incorrect assumptions.

**Q14 Rate the amount of information you receive from the co-op?**

Answered: 45 Skipped: 0



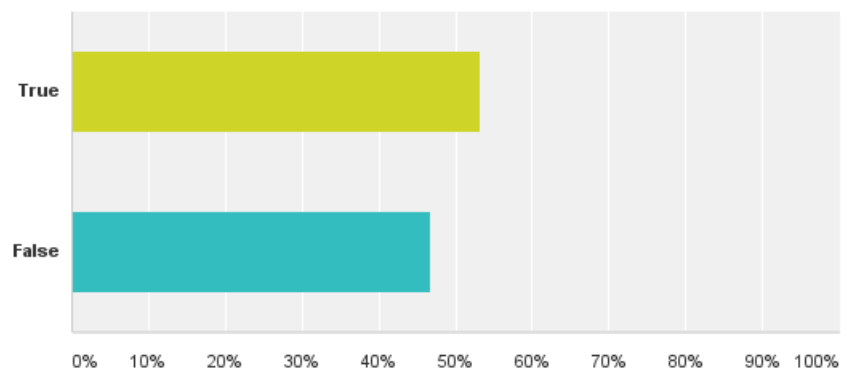
- The better/more Polk-Burnett communicates, the more information will be shared. Employee may still not have enough information to talk confidently to members and others. For example, the co-op's propane subsidiary is one issue that needs clarification to build understanding, support and advocacy.
- Established programs, like Operation Round-Up, are understood and supported. But new programs, like the economic development loan, e-vehicle and community solar take resources from the co-op mission. Managers must connect the dots to show employees how and why these fit it into co-op mission. Research and justification for new programs and co-op decisions should be shared with employees.
- Small group meetings were suggested as an effective method to build confidence for advocacy.
- Information must be more clear, concise and relevant.
- Supervisors filter information, choosing information to pass down.

**Supervisor insights about trust**

- There is a lack of confidence in all levels of leadership, from the board to the GM, senior staff and middle managers/supervisors. (This aligns with the employee survey, where nearly half of employees disagreed with the statement about supervisor trust.)

**Q18 I trust my supervisor.**

Answered: 45 Skipped: 0



- Co-op managers and supervisors build trust and relationships with employees through communication, mainly face to face, and often with personal conversations, showing authentic interest and care in their employee lives. It was recommended that the GM and senior leaders build relationships with all frontline employees, especially employees in member services and Siren, who were identified as areas of concern.
- Supervisors build trust by walking the talk and doing what they say they will do. Words in speeches and frames are empty without action.
- Supervisors build trust by listening and supporting their team with others.
- Supervisors build trust with transparent communication.
- Service excellence is built on a foundation of trust.
- Supervisors build trust and two-way relationships through collaboration, participatory decision making and working on projects together in teams.
- There is a lack of accountability when someone doesn't follow through with a task. Follow up in person and let employees/supervisors/senior managers know why their work is important to improve co-op performance.
- Respectful workplace training reminds us to talk to each other directly if you have an issue.
- Four of five supervisors noted the survey comment, "My supervisor is an idiot" and said that supervisors and managers should work harder to build trust through competence, caring, communication and clarity of information.
- Supervisors must improve personally, but should also work on team building as a group to nurture relationships and support each other.

## **LIMITATIONS/FUTURE RESEARCH**

### ***Limitations***

Research was conducted internally by an employee of Polk-Burnett Electric Cooperative. Every attempt was made to be objective; however, as an internal stakeholder and senior manager for the cooperative, the researcher has knowledge, attitudes and opinions that make researcher bias a factor of this study. An internal study also made employees skeptical about anonymity, and qualitative research was impossible without confidentiality for frontline employees. Results may be slightly skewed because two employees completed some survey questions twice.

The survey concluded with four optional demographic questions about length of employment, co-op membership, work environment and work locations. In hindsight, this study should not have asked demographic questions. They are important for future research, strategic decision making and employee relations/internal communication; however, they provided too much information for this study and created employee suspicion about the anonymity of the survey.

### ***Future research***

Future research should include employee interviews by an independent researcher to probe for additional information about internal communication, specifically the flow of information between subordinates and supervisors. It would also be helpful to ask employees how they believe their work supports the goals of the organization. Where do they see their job in five years? And where do they see the co-op in five years?

Research should include ongoing, annual employee engagement and employee communication surveys to track progress and gauge if post-research adjustments are effective. And, employee knowledge should be quizzed after quarterly all-employee meetings to ensure understanding of content.

The internal audience should be expanded to include board directors, testing their knowledge and advocacy levels, as they are also important brand ambassadors, but often overlooked.

A survey question about employee advocacy should be added to the annual member satisfaction survey. *Employees* should be added to the list of choices when members are asked, “Where do you get information about the co-op?”

The employee communication survey concluded with four demographic questions about length of employment, co-op membership, work location and work environment. These questions were optional. In a future study, results could be segmented and compared to determine if differences exist for different employee groups, and which are most/least informed and advocating on behalf of the cooperative.

Finally, a study of leadership styles at Polk-Burnett would be helpful in building a workforce of brand champions. Morhart, Herzog and Tomczak (2009) examined two different leadership styles—transformational and transactional—to determine if one is more effective than the other in influencing employees to become brand champions. They concluded that transformational leaders provide a culture where brand champions flourish. Leadership research and training would be beneficial to internal communication effectiveness.

## **DISCUSSION/RECOMMENDATIONS**

Overall survey results were encouraging, with most employees demonstrating awareness and knowledge, and a moderate level of advocacy; however, there is room for improvement.

Three key concerns stood out: 1) trust in leadership, 2) communication transparency and 3) knowledge and support for the co-op's new strategic vision.

For internal communication to be effective, it must align with the strategic goals of the organization, which means supporting what's important to member-owners and motivating co-op employees to stay well-informed and share co-op information with others.

**The following recommendations, based on the research and communication models, will improve internal communication effectiveness and move employees from knowledge to action:**

**1. Ensure what's sent is understood and shared (Gap analysis: Appendix K)**

- With the high rate of exposure identified in the content analysis, it's encouraging that 100 percent of employees were aware of the community service/employee ambassador program. However, messaging and sources that motivate employees to believe in the program would improve participation and advocacy. More about effective messaging and source selection is below.
- With highest counts in the content analysis, it's not surprising that most employees were able to list at least some key elements of the core values, mission and vision statements in the employee survey; 34 employees provided acceptable core values; however, only 16 provided acceptable mission points and just nine provided acceptable vision elements. Polk-Burnett must do a better job of communicating its new values, mission and vision internally; specifically, these messages must be believed and remembered to be followed and shared.
- Just 22 employees entered an acceptable short answer to the knowledge question about rate relief; however, this subject had one of the highest counts in the content analysis, which identifies a need to adjust messaging, sources and channels. Clarity of message will enhance understanding and recall.
- Employees are well-informed about EnergySense, outage map, Smart Hub and capital credits, and are passing knowledge forward. Continue to publish content about these subjects of strategic importance and reinforce expectation to share, especially during face-to-face interactions.
- A gap exists between the high level of social media content present in internal communication and the low level of employees using and contributing to the co-op's social media sites. It's reasonable to see a low level of social media participation among co-op employees; however, communication should help employees understand how and why the co-op is using social media, and employees should know their role in inviting others to follow the co-op on social media, even if they do not.

**2. Use appropriate channels**

- E-mail is preferred for internal communication, followed by face-to-face all-employee and department meetings. However, it was noted that field employees may not have enough designed time to attend to e-mails daily. Effective communicators must ensure messages and channels are compatible with receivers. Proper selection of communication technologies applies media richness theory and includes consideration of rich versus lean channels. "E-mail is a lean channel and should be used for unambiguous tasks and information sharing," (Clampitt, 2010, p. 106). Rich channels are best for persuading others, resolving complex issues and managing conflict. Rich channels include face-to-face communication; this conveys cues such as emotion, gestures and facial expression, (Clampitt, 2010, pp. 107, 115).
- The investment of having all employees in one place at one time for quarterly all-employees meetings has positive ROI, based on survey feedback. Employees consider the meeting to be a good use of time and it provides good information. Information presented at meetings was *usually* understood and advocacy was



moderately good. Efforts to improve effectiveness should include message clarity and relevance: Keep it Simple, Sweetheart (KISS) and What's In It For Me (WIIFM).

### **3. Make internal sources more trustworthy; make supervisor heroes, not outlaws**

- The literature review suggests that the most effective internal communication is face-to-face from a supervisor.
- It's concerning that just half (53%) of employees said they trust their supervisor and just one-third (33%) said supervisors are the most trusted source of co-op information. Employees rely on source credibility as a communication cue and pay attention to messages from sources they find credible. Having the right message and using the right channel is not enough; it must also be delivered by a trustworthy source. Based on survey results and supervisor insights, supervisor trust and communication skills should be addressed with training and accountability standards. Once trust has been lost, it is difficult to regain (Kent & Taylor, 2002).
- Polk-Burnett should place greater emphasis on internal communication from supervisors and department meetings, rather than reliance on print publications. Supervisors must become a trusted source of information and department meetings should be elevated from the third preferred channel. Research cited by Therkelsen suggests that employees are influenced very little by formal communication, making "team communications, and what leaders say and do" much more important (Therkelsen, March 2014, p. 4).
- Advice from Gabby Nelson (2012) supports this, "Get middle managers on board and teach them how to communicate. They are pivotal."
- Co-op leaders must work harder to build trust through competence, caring, clarity of information and transparent communication. Supervisor insights relate that co-op employees have high expectations for their leaders.

"People want leaders who are credible. We want to believe in our leaders. We want to have faith and confidence in them as people. We want to believe their word can be trusted, that they have the knowledge and skill to lead, and they are personally excited and enthusiastic about the direction in which we are headed... they find a common ground of agreement on which everyone can stand. They bring people together and unity them into a common cause" (Kouzes & Posner, 2005, pp. 360-362).
- Supervisors must demonstrate strong communication competency (Madlock, 2008).

### **4. Share strategic content and relevant messaging**

- While the majority of employees believe the co-op does a good job providing information, the timeliness and amount of information could be adjusted. Employee relationships, knowledge and advocacy may improve with information that's more timely and transparent. This includes addressing rumors and personnel issues, and sharing both good and bad news.
- Just one employee (2 percent) said the co-op provides too much information; however, 27 percent said it provides too little. Supervisors must reinforce messages frequently. This builds source credibility and recall.
- When asked what information they would like, but don't feel it's being communicated, 21 employees responded with content ideas. Prominent themes were employee benefits, updates from other departments and personnel issues. These did not appear with frequency in the content analysis and should be included in future internal communications. While personnel issues are confidential, it's always best to share what you can, explain what information is private, and why. "Absent trustworthy information, people assume the worst. Rumors thrive in the vacuum of no information," (Center, 2013, p. 20).

- Content should also build awareness of new co-op programs and how they fit into the business mission. Diffusion theory states that adoption is a lengthy process, and awareness must be followed with efforts that trigger behavior. This will help overcome resistance to or rejection of new ideas.
- One employee commented that the *Connections* newsletter was *too wordy* and another commented that only half the information is useful. *Connections* content should focus on information that's valuable and relevant to employees, using themes above, and messaging should be broken into bite-size pieces for today's busy audiences. The use of bullets, charts and illustrations may increase readership, knowledge and advocacy.
- Doug Spong, founder and president of Spong PR, recommends finding the one unifying purpose why employees come to work each day, and working with employees to develop a creed video with "We Believe" statements around that common purpose (Spong, 2012). Working to benefit member-owners may be an effective message for Polk-Burnett employees to rally around.
- The Gallup employee engagement report recommends putting key messages on wallet cards and requiring employees to memorize brand elements (Gallup, p. 58). These too, are good internal communication tactics for Polk-Burnett, based on the internal communication audit.
- Messaging should combine emotional and cognitive aspects of the cooperative brand, and stories should be used to improve recall; people remember ideas, not detail (Wehrenberg, 2013).

#### **5. Use messages that motivate behavior**

- Create messages based on what employees say motivates them to stay informed and share information with others. Employee motivation insights can be tied to motivational value types from Schwartz (Eighmey, Spring 2012). Polk-Burnett employees were most aligned with achievement and the motivation to be well informed and share information by being successful, capable and intelligent. Many employees swayed toward benevolence motivation with a desire to be helpful and honest. Others displayed a conformity motivational value type, wanting to be polite and obedient.

#### **6. Test messages against message to desired action model**

All internal communication efforts should be tested against Therkelsen and Fiebich's message to desired action model (2001) for maximum effectiveness:

- *Received*: Are messages targeted to appropriate audiences and distributed through appropriate channels? Use media richness theory to ensure media successfully conveys messages and cues.
- *Attention*: Do messages cut through the clutter? Are they relevant and useful? From John Eighmey's first law of advertising, "Attention is the most valuable commodity on the face of the earth. For any piece of advertising [or persuasive communication] to work, it first must be seen. To be seen, it must be different" (Eighmey, Fall 2012).
- *Understood*: Is the message clearly communicated? The probability of understanding tells us that sent does not equal received. It is a communicator's responsibility to increase the probability of understanding for successful communication. "It's not what you say, it's what people hear," (Wehrenberg, 2013).
- *Believed*: Is the spokesperson credible? Are details convincing? Having the right message is not enough. It must be delivered by the right source.
- *Remembered*: Will the message be retained until it's needed?
- *Acted On*: Does communication lead to action, moving employee through five-stage adoption process: awareness, interest, evaluation, trial and adoption?

## **7. Focus on advocacy behavior**

- The majority of employees said they *sometimes* share information, and the number of employees who said they *never* share information from the all-employee meeting, *Connections* or *Powerlines* is greater than those who said they *always* do. Leading employees to advocacy must be a focus of internal communication. Jackson recommends asking, “What behaviors am I trying to motivate?” rather than “What information am I trying to communicate?” (Center, 2013, p. 13). Polk-Burnett must build and inspire advocacy as a performance expectation with the message that everyone is appreciated and accountable. Define the roles and level of responsibility that each employee has regarding communication with external stakeholders for job descriptions and performance appraisals.
- Be patient and remember that adoption of new ideas and behavior takes time; the diffusion process is lengthy and does not occur with awareness alone. Use triggering events and intermediate behaviors, per Jackson (see example strategies and tactics).
- A few examples of negative advocacy appeared in the employee survey, including this comment when asked what motivates employees to share co-op information with others, “*To see the reaction of people when I tell them some of the ridiculous ways we operate.*” In addition, two employees said they are *never* proud to work for Polk-Burnett. These two may undermine the efforts of others. Negative employee word-of-mouth is a competitive disadvantage. Polk-Burnett must isolate or eliminate this behavior and not allow it to permeate the organization. An abusive or negative culture does not allow brand champions to flourish.
- Create a culture that fosters a bond between the co-op and its employees, where employees identify with their work community. Humans are driven to belong, to feel a connection to a group. Our desire for belonging and meaning is tied to self-identity theory and Maslow’s Hierarchy of Needs. When employees identify with the brand community, they form a commitment to the brand and are more likely to spread positive word of mouth. Brand communities are social movements that form around common values (Eighmey, Spring 2012). Members of brand communities have a “shared enthusiasm for the brand... a collective sense of difference from others not in the community,” and identification with the community (Stokburger-Sauer, 2010). Community is a concept that applies to employees of a cooperative or any organization. The use of triggering events and intermediate behaviors, per Jackson, would lead to the formation of brand communities with shared values and identity; the benefits are loyalty and advocacy.
- Ensure employees at all levels are speaking with one voice and represent the co-op consistently. “Management cannot say one thing in official pronouncements... and then have employees telling another story... achieving one voice requires shared values, which arise when employees are encouraged to participate in organizational decision making,” (Center, 2013, p. 23). Participation is addressed in the next section.

## **8. Motivate employee behavior with two-way symmetric communication**

- Employee communication is no longer a one-way process of disseminating news. The research shows that most internal communication at Polk-Burnett falls into the public information or one-way asymmetrical model of public relations; Polk-Burnett disseminates a significant amount of information, but sent doesn’t mean communication is effective—received, understood, believed or acted on. It’s talking at employees (one-way public information), or at best, using research to understand and target employees with relevant messages (two-way asymmetrical), but it’s not two-way symmetrical or dialogic. A move to Grunig’s two-way symmetrical relationship model would help employees connect emotionally and cognitively to the organization by building and maintaining trust and mutually benefit.

**Two-way symmetrical relationships are achieved through ethical dialogue, participatory decision making, shared value and shared responsibility. This requires both the co-op and employees to change behavior for mutual benefit. This is the most significant recommendation and most effective for improving internal communication and achieving advocacy and organizational objectives.**

- Additional strategies and tactics from Clampitt (2010, p. 196) should be used to promote mutually beneficial relationships through collaboration and boundary spanning, including:
  1. Select and train the right people. For example, the co-op's billing department is now hiring member services representatives, with cross training in billing, from banking and other industries with high customer care to improve member service and satisfaction (Polk-Burnett Strategic Plan, 2014).
  2. Encourage activities that promote shared experiences and common goals, such as job switching, job shadowing, cross-functional teams and team building, especially around mission, vision and values.
  3. Hold companywide seminars, brainstorming sessions, show and tell.
  4. Promote two-way flow of communication to encourage inquiry and expression of doubt/fear.
  5. Make sure employees have a voice; encourage two-way dialog and opportunity to speak freely.
- Eighmey (Fall 2012) recommends a similar move from static to dynamic communication, specifically moving from monologue to dialogue, message repetition to storytelling, information to entertainment, language based to metaphor, one directional to interactive, expected and safe to unexpected and different, and from the sender's perspective to employee reward perspective.
- This also ties into the rule of participation (Center, 2013), a guideline from behavior science, that states, "People will fully support only those ideas they perceive they have had a voice in creating," (p. 6). All employees should be encouraged to analyze survey results and have a voice in developing an improvement plan. Employees should have been involved in strategy execution from the start; however, it's not too late to invite participation. "Involvement in the planning stages provides ownership and support" (p. 20). Participation, through interest, evaluation and trial, also lead to the adoption of new ideas.
- Kent and Taylor (2002) support Grunig's two-way symmetrical model through dialogue that elevates employees to equal status with the cooperative. Their paper recommends collaboration and understanding of each other's points of view, consulting employees in matters that are important to them, showing empathy, support and commitment to each other and the conversation, and emphasizing long-term rather than short-term objectives.
- Lessons from integrative leadership foster two-way symmetrical relationships and can be applied, as well. Crosby and Bryson (2010) recommend cross-sector collaboration and boundary spanning to achieve collective impact and advance the common good.

#### **9. Address employee issues from behavior science: Rule of participation, rule of abuse, rule of rewards**

- In addition to building on the rule of participation above, Polk-Burnett leaders must address perceptions of abuse. The rule of abuse states, "People who perceive they have been or might be abused by an organization... cannot hear what it is trying to say to them until the abuse is gone or at least acknowledged," (Center, 2013, p. 6). Verbatim comments from a few employees suggested feelings of abuse at Polk-Burnett, noting that benefits have been taken away, and working for the cooperative is no longer as rewarding as it once was. As the co-op attempts to be rate competitive, employee PTO banks

have been reduced and health insurance has changed to a high-deductible health-savings account with greater out-of-pocket expense for medical care (Polk-Burnett Strategic Plan, 2014). Supervisors also shared that employees are not always treated well and personnel issues are managed without care and compassion. This perception affects morale, and internal and external satisfaction.

- Celebrate success with rewards and recognition. The rule of rewards states, “People will only do things for which they feel rewarded,” (Center, 2013, p. 6). Gallup (2013) agrees and recommends recognizing employees who deliver the brand promise. This is based on social exchange theory, which states people will stay in relationships and reciprocate positive behavior only if they feel the rewards are greater than the costs (Thibaut & Kelley, 1959).

#### **10. Begin and end with research**

- Continue to listen and seek employee feedback; conduct research to explore causes of disengagement and lack of communication, trust, understanding and advocacy. Work with employees to make mutually beneficial corrective action.
- Regularly audit internal communication materials to make sure they are consistent with brand promise, and regularly assess how well employees know and understand the brand promise (Gallup, 2013). Make sure employees understand how their job affects member experience.

#### **11. Adjust business strategy to support effective internal communication/employee relations**

At present, the human resources and internal communication functions are fragmented throughout Polk-Burnett, and employees don’t always feel they’re a priority. The cooperative is a small business; the executive assistant coordinates the general manager’s office, handles all board-related work, and serves as the benefits administrator. Department supervisors are responsible for hiring, performance reviews, orientation, professional development and other employee relations efforts. This elevates the role of the supervisor in developing positive employee outcomes. Co-op supervisors, senior leaders and the board must do a better job of connecting the dots and engaging employees, so everyone feels responsible for and empowered to help build success. Steps include:

- Create a culture based on a clear mission.
- Establish a formal orientation process to educate new employees about mission and business goals.
- Provide ongoing training on subjects of strategic importance, communication skills and expectations for all levels of employees.
- Hold employees, supervisors, senior managers and board directors accountable for meeting organizational standards.
- Use incentives, recognition and rewards for individuals and teams who align core values with behavior.

#### **The following mission-specific, research-based objectives, strategies and tactics will support employee advocacy and drive member satisfaction and value for the cooperative.**

Polk-Burnett, a member-owned rural electric cooperative in northwestern Wisconsin, provides exceptional core services, but falls short in communicating the value of cooperative membership. Polk-Burnett needs to do a better job of engaging members and telling its story, specifically about efforts to provide electricity at the lowest possible cost and help members save energy and money.

#### **Objectives**

- Increase rating on 5.0 scale of members who say co-op employees are knowledgeable and friendly from 4.68 in 2013 to 4.80 in 2014 member satisfaction survey.

- Increase employee knowledge/recall of core values from 34 employees on 2014 baseline employee communication survey to 100% providing correct answers by 2015 survey.
- Increase employee knowledge/recall of mission statement from 16 employees on 2014 baseline employee communication survey to 100% providing correct answers by 2015 survey.
- Increase employee knowledge/recall of vision statement from nine employees on 2014 baseline employee communication survey to 100% providing correct answers by 2015 survey.
- Increase employee advocacy of co-op programs identified as strategically important:
  - a. Outage map advocacy from 52% on 2014 baseline employee communication survey to 75% by 2015.
  - b. EnergySense advocacy from 61% on 2014 baseline employee communication survey to 75% by 2015.
- Increase % of employees who share:
  - a. *Connections* information with others from 24% *usually* and *always* in 2014 baseline employee communication survey to 50% *usually* and *always* by 2015.
  - b. *Powerlines* information with others from 27% *usually* and *always* in 2014 baseline employee communication survey to 50% *usually* and *always* by 2015.
  - c. Employee meeting information with others from 33% *usually* and *always* in 2014 baseline employee communication survey to 50% *usually* and *always* by 2015.
- Increase number of employees who like, share and comment on co-op's social media page from eight employees in 2014 baseline employee communication survey to 25 by 2015 survey.
- Increase number of employees who participate in Community Service/Employee Ambassador program from 26 in 2013 to 36 by the end of 2014.
- Increase number of volunteer hours donated through Community Service/Employee Ambassador program from 161 in 2013 to 250 by the end of 2014.

### **Action Strategies**

- Empower employees to be brand ambassadors and energy experts; train, reward and provide tools to understand and share co-op messages with members and others.
- Make employee relations a priority for co-op; address rule of participation, rule of abuse, rule of rewards.
- Improve effectiveness of internal communication, including two-way symmetrical flow. Use dialog and participatory decision making for mutual adjustment and benefit.
- Improve effectiveness of internal communication by adjusting content, channels and source effects. Specifically, communication must be more open, honest and transparent, as well as clear and concise.
- Foster face-to-face meetings between supervisors and front-line employees.
- Build trust across all levels of employees.

### **Message Strategies**

- Everyone is responsible for member satisfaction. Employees are credible sources of information and must be ambassadors for the brand. Positive word of mouth is desperately needed by Polk-Burnett as it attempts to build and communicate the value of co-op membership. Everyone benefits when the co-op succeeds.
- Polk-Burnett needs to do a better job of engaging members and telling its story, specifically about efforts to provide electricity at the lowest possible cost and help members save energy and money; these were identified as the most important drivers of value in Polk-Burnett's 2013 member survey. The following co-op programs communicate these messages and deliver member value: patronage credits, EnergySense rebates, rate relief, SmartHub and outage map. These programs, as well as efforts like social media, energy

seminars, and member and community engagement that connect with stakeholders in new and relevant ways, have been identified as strategic subjects of importance for the cooperative.

- This must be communicated and lived from the top and throughout the organization. Employees should hear this message and expectations from the board, GM and senior management, and it must be reinforced regularly by supervisors.
- Messages explaining “why” should be used to build support and understanding for sensitive personnel issues, changes in employee benefits and new programs, like community solar and economic development.
- Co-op employees are motivated to stay informed and share information by the desire to help others and demonstrate intelligence. Others want to be polite. Messaging should reflect these motivations.

### ***Employee Advocacy Tactics***

- Hire an employee relations/HR specialist to build and maintain relationships with employees, advocate for employees and direct internal communication efforts.
- Establish cross-departmental work teams to evaluate each new program before it launches and make recommendations to senior leadership and the board to improve successful execution.
- Establish job shadowing program to help employees understand other jobs and departments at the co-op.
- Establish mentoring program that matches experienced employees with new employees.
- Kick-off each new co-op program with at an employee breakfast. Hand out talking points and answer “why” question.
- Produce talking points for employees, and host training webinars and brown-bag lunches on each program of strategic importance in objectives.
- Host quarterly all-employee meetings with general manager to share vision, objectives and expectations for employee advocacy.
- Give post-employee meeting quizzes to test message knowledge/recall.
- Reinforce GM message, along with individual performance goals during department meetings and one-on-ones with supervisors.
- Write communication responsibilities into each employee’s job description; this may include representing co-op on chambers and community organizations for senior and middle managers, and participating in community/member functions on behalf of the co-op for all employees.
- Hold employees accountable for co-op mission, vision and values with regular performance reviews.
- Bring in outside motivational speakers and experts on customer service training, industry updates, etc.
- Train supervisors in building trust, communication skills, leadership and other competencies, pending results of employee survey.
- Distribute “101 Ways to Save” booklet for employees to share with members looking to conserve and save.
- Publicize and incentivize employee ambassador program to encourage employees to perform up to 16 hours per year of community service during work time without taking PTO.
- Recognize employees who share co-op messages, possibly with incentives or travel perks.
- Reward all co-op employees when/if objectives are hit.

## **CONCLUSION**

Results of the internal communication audit were generally positive; however Polk-Burnett Electric Cooperative, like many organizations today, must do a better job of capitalizing on its greatest asset—its employees—for competitive advantage. Positive employee outcomes build positive business outcomes, but it requires hard work and long-term investment.

Strong internal communication and employee relationships mutually benefit employees and the cooperative in many ways; one positive outcome is employee advocacy. Positive word of mouth on behalf of the organization is a critical element for external branding and is desperately needed by Polk-Burnett as it attempts to build and communicate value to co-op members. “To win customers—and a bigger share of the marketplace—companies must first win the hearts and minds of their employees,” (Gallup, 2013, p. 2).

But just because you send it doesn’t mean it’s effective. Effective communication is more than pushing information out, and one-way communication rarely leads to behavior change. Effective internal communication is based on research, aligns with business goals and leads to action. Polk-Burnett must motivate employees to be knowledgeable and advocate for the cooperative.

### **Internal communication at Polk-Burnett:**

- 1) Must be adjusted to focus on two-way symmetrical relationships with employees.**
- 2) Content, source and channel effects must be adjusted to drive action and behavior results.**
- 3) Improving co-op performance will not happen without supervisor support and participation; supervisors are the most important link to frontline employees and must be trusted heroes in leading employee performance.**

**The bottom line for Polk-Burnett and every organization is to build employee relationships where participation and shared values earn trust, motivate advocacy and lead to mutual benefit.**



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