

CEO Statement

Hello,

It pains me to write this communication, but you deserve to know. As you are aware, the council have been facing some economic issues this last year and we must now take further action. As such you will be facing a pay reduction by 5 percent as of May 19th. This will be taking place across the entire organisation, with no exceptions. We have chosen this action to avoid redundancies at this time. We value each one of you and you bring something special to the organisation and we do not want to lose you.

I understand that this change can be a jarring one and that it might cause some unforeseen stress in your life. We want to ease this stress for you as much as we can and therefore we have planned a meeting on the 27th of May. In this meeting you can bring up any concerns, questions or complaints. The meeting will be open to all employees and will be led by the board of directors but if you feel that is too far away, please send an email to:

concerns@wcc.co.uk

If you wish to remain anonymous, you can write a note and put it in the suggestion boxes located on each floor. The issues left in these will be covered in the meeting on the 27th and will only be read by the board.

Look forward to seeing all of you at the meeting and hearing your concerns,

Best wishes,

Jonathan Green,

CEO, Wessex County Council.

Analysis

Below an analysis of the above CEO statement will follow. It will show that Wessex county council has an open communication climate which they are trying to use to motivate their employees to work through the coming change in the organisation.

Communication

David Hassel (n.d.) claims that “The importance of an open business environment cannot be overstated; a company can survive without open communication, but very few organizations thrive without it” therefore the CEO statement above is a good way of communicating with the employees of Wessex county council since it demonstrates the open communication climate in the organisation.

Things in the CEO statement above which show this is expressions such as “As you are aware”. It clearly show that there is an established, open communication in the organisation. “As you are aware” show that the issues which the organisation has been experiencing are widely known within the organisation, if the communication culture of the company was closed, such issues might have been kept from the employees on the lower tiers of the hierarchy.

The personal touch in the beginning of the statement “It pains me to write this communication” and “but you deserve to know” also show the open communication in the organisation as it is a very “open and honest” (Buchanan and Huczynski, 2017, p. 239) approach to the situation. It also exemplifies the caring nature of an open communication organisation.

Seeking feedback is also a trademark of open communication in an organisation (Buchanan and Huczynski, 2017, p. 239). That Wessex County council are seeking feedback can be seen in several ways. The board of directors have planned a meeting where the employees can air their grievances, they are also provided with an email address and the alternative of the suggestion boxes.

Motivation

Herzberg two factor theory (Herzberg, Mausner, and Bloch Snyderman, 2007, p. 113) state that salary is not a motivating factor for job satisfaction but rather a hygiene factor. If this is true then a change in salary should not affect the job satisfaction at Wessex County Council however, they also state that “When these [hygiene] factors deteriorate to a level below that which the employee considers acceptable, then job dissatisfaction ensues.” (Herzberg, Mausner, and Bloch Snyderman, 2007, p. 113). Considering that the employees have signed papers that define their salary, a reduction of it might fall below what the employees consider acceptable.

The other side of the two-factor theory is the motivating factors such as recognition (Herzberg, Mausner, and Bloch Snyderman, 2007, p. 113). An example of recognition in the CEO statement is “because we value each one of you and you bring something special to the organisation and we do not want to lose you.”. When looking at this it can be argued that the CEO is trying to soften the blow of the pay reduction by employing motivating factors as a counterweight.

If the two-factor theory is compared to Maslow's hierarchy of needs (McLeod, 2017) there are many similarities. In both, humans are working towards self-actualization, however, Maslow's hierarchy of needs cover the more basic of human needs, shelter, food, water and rest (McLeod, 2017). It also implies that you cannot move towards self-actualization unless your more basic needs are met. Therefore, if the pay reduction will endanger those needs, then the recognition will not make a difference to motivation in the organisation.

There are however, many things which affect the motivation in an organisation and it is a very complex issue (Mullins, 2005, p. 495). For example, the open communication in the organisation, can mean that the employees are more committed to the organisation (Buchanan and Huczynski, 2017, p. 645) and they would therefore not want redundancies to happen. In those circumstances the explanation "We have chosen this action to avoid redundancies at this time" to justify the pay reduction, could be seen as valid within the organization.

The Board of directors is also very open for the employees to "bring up any concerns, questions or complaints." This is part of getting feedback from the employees and keep them involved in the issue. Employee involvement is believed to increase both work satisfaction and productivity (Mullins, 2005, p. 722) and a more satisfied workforce is a more motivated one (Buchanan and Huczynski, 2017, p. 277).

Change

The purpose of this CEO statement is to communicate a change which is happening in the organisation and "Empirical research has demonstrated that high-quality change communication increases acceptance, openness, and commitment to change" (Buchanan and Huczynski, 2017, p. 643). This high-quality communication is something the CEO is trying to achieve. It can also be concluded, if open communication is high-quality communication, that it is previously established within the organisation, as seen earlier in this analysis.

A common way of looking at the way change affects individuals is through Kübler-Ross' coping cycle (Buchanan and Huczynski, 2017, p. 641). The employees will likely pass through all the stages, denial, anger, bargaining, depression and acceptance. Denial, would probably be shortened by the CEO statement saying that the change "will be taking place across the entire organisation, with no exceptions". Anger will probably not be able to be avoided but the meeting will provide a place to vent those frustrations it will also allow the employees to go through the bargaining stage as they could suggest other changes to be done. Especially if the complaints, concerns and suggestions are met in a good way by the board of directors. After that would follow the depression the employees realise that they cannot affect the decision made. This would be followed by the last stage, acceptance, the pay reduction is happening, let us make the best of it. However, "This is an 'ideal' model" (Buchanan and Huczynski, p. 641) and the pace which people go through these stages is very individual and some may do it in a different order, skip steps or never get through the entire cycle. (Buchanan and Huczynski, p. 641)

The stages denial, anger and bargaining, can be seen as resistance to change. Resistance to change is "an unwillingness, or an inability, to accept or discuss changes that are perceived to be damaging or threatening to the individual." (Buchanan and Huczynski, 2017, p. 644). The change in question is an economic change which Mullins (2005, p. 913) claims is one of the changes people are likely to resist.

Buchanan and Huczynski (2017, p. 645) detail several ways of managing change, some of which we can see evidence of in the CEO statement above. Managing change is a way of helping the employees through the coping cycle faster.

“Communicate the vision and strategy” is one of these management strategies according to Mullins (2005, p. 916) the benefits of communication have already been discussed several times in this analysis and should not be undervalued. It can increase employee commitment, ease misunderstandings and increase awareness (Buchanan and Huczynski, p. 645) of the issues involved in making such a decision for an organisation.

Another way of managing change which we can see evidence of in the CEO statement is “Facilitation and support” (Buchanan and Huczynski, p. 645) the various ways that employees can contact the board is an excellent example of the support offered. It is also argued that “treating resisters with respect strengthens relationships and improves the chances of success” (Buchanan and Huczynski, p. 646) that they will have a chance to raise all their “concerns, questions or complaints” can be seen as a sign of respect.

As they are applying several ways of managing change it can be concluded that this is a high-quality communication which will help ease the change within the organisation.

Bibliography

Buchanan, D. and Huczynski, A., 2017. *Organizational Behaviour*. Harlow: Pearson

Hassel, D., n.d. *Open Communication: Vital to Business Success* [viewed 20/4-2018]
Available from: <http://www.amanet.org/training/articles/open-communication-vital-to-business-success.aspx>

Herzberg, F., B. Mausner, and B. Bloch Snyderman, 2007. *The Motivation to Work*. New Jersey: Transaction Publishers

McLeod, S., 2017. *Maslow's Hierarchy of Needs*. Simply Psychology [viewed 25 april 2018]
Available from: <https://www.simplypsychology.org/maslow.html>

Mullins, L. 2005. *Management and organisational behaviour*. Harlow: Pearson