



Communicating with employees

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A Jackson Wells Morris White Paper

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1 – Overcome cynicism to deliver results

We live in a world where people are more critical of - and increasingly resistant to - marketing messages and ‘spin’. Nevertheless, effective employee communication is delivering remarkable business results.

Organisations sense that consumers are becoming disenchanted with the messages that bombard them each day.

A recent survey¹ by marketing services company Yankelovich found that:

- 61% of consumers feel marketers and advertisers don’t treat them with respect
- 60% are more negative about marketing and advertising than a few years ago
- 61% feel the quantity of marketing and advertising is out of control
- 65% feel constantly bombarded with too much marketing and advertising
- 59% feel most marketing and advertising is of little relevance

These statistics are reinforced within organisations, where employees have an even more negative view about the quality and relevance of communication.

A recent survey of 1,000 US workers² found just over half (51%) believe their company tells them the truth. Almost a fifth (19%) disagree. At the same time, 51% believe their companies try too hard to ‘spin’ the truth.

The survey also shows employees believe companies communicate more honestly with shareholders (60%) and customers (58%) than with workers.

There is good news, however. The disenchantment and scepticism is probably generating better outcomes for organisations doing well at employee communication.

¹ Available at http://secure.yankelovich.com/about_us/041504YankelovichSpeaksAAAAConf.pdf

² Towers Perrin, “Enhancing Corporate Credibility: Is It Time to Take the Spin Out of Employee Communication?”, released January 2004, <http://www.csrwire.com/article.cgi/2375.html>

A study by Watson Wyatt Worldwide (*Connecting Organizational Communication to Financial Performance - 2003/2004 Communication ROI Study*³), released in early January 2004³, found that

- A significant improvement in communication effectiveness is associated with a 29.5 percent increase in market value.
- Companies with the highest levels of effective communication experienced a 26 percent total return to shareholders from 1998 to 2002, compared to a 15 percent return experienced by firms that communicate least effectively.

TIP 1: Do it now. Employee communication is an excellent way to improve corporate performance. But don't put it off or you'll have to deal with an increasingly disaffected workforce.

Bad bosses incite job flight⁴

Hudson Employment Index data reinforces the adage that people don't leave bad companies, they leave bad managers. One-third of poll respondents rated bosses or supervisors as fair or poor, and more than half of those who rated their bosses 'poor' said they were looking for another job. Twenty-nine percent who rated bosses 'fair' or 'poor' said they were worried about losing their jobs.

³ Watson Wyatt Worldwide, <http://www.watsonwyatt.com/research/resrender.asp?id=w-698&page=1>

⁴ Reuters, 31 March 2004, <http://www.reuters.com/newsArticle.jhtml?storyID=4710773>

2 – Audits provide the pathway

The communication audit is an evidence-based approach to understanding how an organisation communicates and defining what it should do to improve communication effectiveness.

A systematic understanding of the communicating organisation provides managers with an excellent basis for planning strategic improvements to communication with employees and other stakeholders.

The communication audit assesses the effectiveness of an organisation's communication in three key areas – information flow, mechanisms and content. It is an essential part of strategy development for organisational communication.

This table shows the stages, focuses and outcomes to be derived from a communication audit.

Audit outcomes at a glance		
STAGE	FOCUS	OUTCOME
Review	1 – Culture, strategy & policy	Thorough understanding of your business entity as a communicating organisation
	2 – Information flows	Insight into the effectiveness of information flows and identification of blockages
	3 - Mechanisms	Definition of the means of communication in actual use and those preferred by employees
	4 - Content	How employees perceive the relevance, trustworthiness & accuracy of information
	5 - Resources	Adequacy of human, financial and technical resources applied to communication
Analysis	6 - Findings	Conclusions drawn from the foregoing data
Strategy	7 - Recommendations	Practical recommendations to improve communication

Focus 1 - Corporate culture, strategy and policy

Objective: To assess the communicating organisation

- Identify the values, attitudes and behaviours that are characteristic of the organisation.
- Examine inter-branch relationships and issues to assess how to improve present communication.
- Review how corporate policies, strategies and practices relate to communication activity.
- Evaluate how current communication activity aligns with corporate objectives.

Focus 2 - Information flows

Objective: To review the effectiveness of information flows

- Ubiquity. The extent to which relevant information penetrates the entire organisation.
- Timeliness. The speed with which information reaches its intended destination.
- Direction. The mutuality of information flows.

Focus 3 - Information mechanisms

Objective: To identify actual and preferred information mechanisms

- Suitability. Appropriateness of information delivery vehicles.
- Utility. Extent to which information delivery vehicles are used.
- Reliability. Consistency with which information reaches its target.
- Conduct formal evaluations of publishing and Internet services

Focus 4 - Information content

Objective: To define key issues, concerns and attitudes

- Trust. Information is credible.
- Relevance. Information of practical use.
- Clarity. Information is clear.
- Differentiation. Information takes account of organisational variations.

Focus 5 - Resource issues

Objective: To appraise resource and structural matters

- Budget. Adequacy of finances to meet the Department's needs and expectations.
- Human resources. Effective, capable and skilled people, including managers.
- Technical resources. Modern and fully functional equipment.
- Structures. Efficient communication structures, planning mechanisms, training programs, reporting lines and quality assurance.

Focus 6 - Findings

Objective: To derive findings from the data collected

- Data will be assembled within the agreed framework(s).
- Further analysis to organise the data coherently.
- Agree findings (defined as reasonable inferences of truth or hypothesis) from the data.
- Findings are used to guide the development of recommendations.

Focus 7 - Recommendations

Objective: To develop recommendations to improve communication

- The organisation will be benchmarked against other organisations.
- A broad strategic approach will be derived from the findings.
- A number of strategic pathways will be designed to actualise the strategic approach.
- Recommendations for improvement, refinement or change will be developed.

TIP 2: Audit your communication. Be scientific. Get a clear idea of communication status and problems before developing a communication strategy.

Newsroom suffers through poor communication⁵

An independent panel of editors found that USA Today reporter Jack Kelley was able to fabricate and plagiarise stories for more than a decade because of lax editing, poor newsroom leadership, the star system, a workplace climate of fear, inconsistent rules on using anonymous sources and a lack of staff communication.

NASA orders management changes after audit

Space exploration organisation NASA provides a recent and high profile example of the value of a communication audit [*see Annex A*]. The audit revealed that some managers, promoted for their technical expertise, had no capacity for communicating effectively. The audit also identified a number of information blockages. These deficiencies were undermining NASA's safety culture – a threshold issue.

⁵ http://www.usatoday.com/news/2004-04-22-reportmain_x.htm

3 – Factor in the external impact

The external environment, and how it affects employee attitudes, sets the mood for internal communication. But this critical factor is often overlooked or misunderstood.

Job insecurity. Jobs created over the past ten years tend to have reduced employee security and remuneration. Many companies have reduced the cost of employing labour by moving away from the traditional reliance on full-time, permanent employment. Companies have moved to more flexible employment including casual, part-time and contracting-out⁶.

Declining employee commitment. A side effect of greater flexibility is that employees are less committed. This is reflected in an increased willingness to change jobs, and also less motivation to put extra effort into the job.

Work and life balance. This is Prime Minister Howard's BBQ stopper. Indeed, it's difficult to have a conversation at a family gathering without complaints about employers' growing demands and the way they eat into private life. We live in a 'work to live' rather than a 'live to work' era.

Loss of trust. Regular corporate upheavals (mergers, acquisitions, re-engineering) together with corporate scandals has led to a growing scepticism and cynicism about the ethics of big companies.

Reform fatigue. Corporate improvement programs are so common that employees are blasé about the 'new idea', especially since it always seems to be announced halfway through the implementation of the previous new idea. Employees also regard these programs as cost-cutting exercises with clever names.

Older workers. People over 45 account for nearly a quarter of the unemployed (the true proportion higher when we consider that many older people simply give up looking for work).

⁶ Ross Gittins wrote a good piece on job satisfaction in a March 2004 *Sydney Morning Herald* called *Happiness is a job you like*. It cited research on the correlation between job security and job satisfaction: <http://www.smh.com.au/articles/2004/03/09/1078594359806.html?from=storyrhs>

Offshoring. Outsourcing jobs from developed countries like the US, UK and Australia to developing countries like India and China is a major issue around the world. Offshoring will attack the perceptions of job security held by white-collar workers over the next decade the way it affected blue-collar workers in the 70s and 80s.

Retirement. For many people over the past few decades retirement (anytime after age fifty) has been the escape route from the problems listed above. Now that door is being shut, too. Peter Costello's comments earlier this year about working to you drop, resonated throughout the Australian workforce – and not favourably either. Despite compulsory superannuation, most Australians simply do not have the funds to be out of the workforce for twenty or thirty years. With children staying at home longer, the prospects of being able to afford to retire are diminishing.

Employee attitudes are subject to long-term influences, like those listed above, but they can also change in response to the economic cycle – a stable workforce during a recession can be much more fluid when an economy starts picking up.

TIP 3: Understand your employees. Make sure your internal strategies are based on an understanding of real people with real concerns and not some generic group called 'employees.

TIP 4: Stay on top of attitude trends. Do some form of regular research to spot any trends or significant shifts in employee attitudes.

4 - Provide message coherence

All elements of a corporation can and do change – technology, markets, distribution channels, all are fluid. In addition, growth, particularly through mergers and acquisitions, can leave employees feeling that they no longer know their company.

For a long-time, **Mission Statements** were seen as the way to sum up an organisation, and give it focus and direction. But most mission statements are too short and too bland to be useful. They usually try to do too much and they end up saying nothing much more than ‘we want to give our customers world-class service’ or some such pallid stuff.

Many organisations have tried to supplement their mission statements with **a set of agreed values**. These can be useful, but they can also be Sunday school stuff. Again, sometimes too generic and too bland to be defining or inspiring.

A **corporate story** is another way of tackling the problem. Mission statements and values tend to be timeless, and can apply to all imaginable situations. A story is an analysis of the current challenges confronting the organisation and its strategy for tackling them. A good story tackles the big issue or issues in the organisation head-on. It embraces the real internal conversation. It is an issues management approach, not a marketing solution.

A story can be, therefore, a distillation of the corporate strategy which, stripped of the jargon, explains the ‘why’ and ‘how’ in a compelling set of related key messages. The narrative part is important because that’s the way most people prefer to receive their information, and so the narrative aids understanding and memory.

Another approach to building corporate cohesion is the **code of practice** – practical guidelines for behaviour in the organisation that are derived from a set of operating principles and ethical values. Jackson Wells Morris has developed its own model, which has been emulated by some other organisations, and can be found at <http://www.jwmworld.com.au/code.htm>.

Whether you choose a mission statement, a set of values, a corporate story or some combination – **the key is to deal with the world as it really is** and not present a tough audience (your colleagues) with some fairy floss account which fails to tackle their central concerns head-on.

TIP 5: Coherence. Adopt a strategic approach and ensure your messages re-inforce each other by addressing real employee concerns in the context of your business strategy, avoid ‘marketing’ and ‘feel good’ approaches.

5 – Do as you say

Formal employee communication is only effective if it is backed by management actions which say ‘this is real, it’s not just a policy’.

Change often requires communication by example rather than edict. Guy Russo CEO of McDonald’s Australia told the Australian Human Resources Institute in March:

The CEO must set the example and give people encouragement and permission to introduce these new ways of working. So I’m starting the change process in my usual way, with myself and with my direct reports. Last year for example, I signed up for tuckshop duty at my sons’ school, and let everyone know about it. I trust it will encourage my senior colleagues to take a similar, creative approach to managing their own Work/Life balance – as well as prompt them to encourage the same with their direct reports.

I’ve also taken to patrolling the office, looking for those in at the crack of dawn and/or burning the midnight oil – not with the aim of rewarding their dedication, but with the aim of finding out if we have a problem with people working excessive hours. If we do I want to know why and how we can fix it.

David Neeleman, CEO JetBlue (an American airline) has a similar hands-on approach to communicating change:

Employees see him working the crowd, going out of his way to help a customer, and they do the same. They hear him talking about the plans to introduce new services, and they spread the word. Above all, they know that Neeleman isn't sitting behind a desk somewhere counting his stock options. He's putting in overtime, and he's doing it with them. They can rest assured that he understands what's happening on the frontlines because he's been there. He's on their team. And the result? An unusual level of trust, respect, and goodwill.⁷

⁷Norm Brodsky, “Street Smarts: Learning From JetBlue”, [Inc. March 2004](#), Page 59

On the other hand, at Enron the written and real messages were far from consistent:

Sherron Watkins (Enron whistle blower) says executives have to ooze integrity through their actions. That is the opposite of what she observed at her former employer. “Enron’s unspoken message was, ‘Make the numbers, make the numbers, make the numbers—if you steal, if you cheat, just don’t get caught. If you do, beg for a second chance, and you’ll get one.’”⁸

TIP 6: Message consistency. Employees follow the lead they get from senior managers. If the messages conveyed by management action are in conflict with the messages in your formal materials, your materials will lose every time.

Dads don’t use flexibility provisions

A study by the Social Policy Research Centre⁹ found that only 18 per cent of fathers used flexible work hours to balance work and family, while 73 per cent did not use any family friendly provisions of workplace agreements. Although 81 per cent of Australian workplace agreements contained at least one work and family provision such as flexible working hours, while 46 per cent of the agreements contained two or more provisions.

⁸ http://www.craweblogs.com/commlog/archives/cat_emerging_case_studies.html

⁹ April 2004, http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/respubs/research-policyrespaperseries_twentytwo.htm

6 – Look for new ways to motivate

Maintaining employee motivation is a constant challenge and involves much more than simply getting the monetary and status incentives right. Increasingly, organisations are going to have to look to ways to make jobs more intrinsically rewarding.

Many employees are dissatisfied with the value of their jobs and with the recognition they get for their efforts. In addition, the challenge to get the work-life balance right is taking the fun out of work for many employees.

Recognition. Reflecting on the lessons to be learnt from the recent slump, David Pottruck, the co-chief executive of Charles Schwab & Co told Context magazine:¹⁰

“One of the mistakes I made was thinking that, if I changed our incentive systems in certain fundamental ways, I would change behaviour. What I’ve come to understand is that people do things because of lots of different motivations. Incentive systems alone can’t do it. Another thing I’ve learned in the past two or three years is that we constantly underestimate how powerful recognition is. People will respond tremendously to recognition—especially in times like these, when people are feeling so bad about so many things. Feeding people’s emotional souls is such an important thing. One of my guiding thoughts when I speak with employees, one on one or in large groups, is that they may forget exactly what you said, but they will remember how you made them feel.”

Meaningful jobs. A recent survey showed that 60 percent of UK workers feel their work is of no use to society.¹¹ Yet, many companies still ignore the opportunity for motivating employees through corporate social responsibility programs.

There is now an extensive body of research that demonstrates that corporate citizenship has positive effects on employees’ motivation and morale as well as on their commitment and loyalty to the organization. A survey of almost 25,000 people

¹⁰ Context, Winter 2002/2003, “What I learnt during the economic slump”, <http://www.contextmag.com/setSearch.asp>

¹¹ <http://www.anxietyculture.com/crapjobs.htm>

across 25 countries found that 80 per cent of people who worked for large companies stated that they felt greater motivation and loyalty towards their jobs and companies the more socially responsible their employers became. Similarly, a survey of European employees found that almost 90 per cent expressed greater loyalty to employers who were socially responsible.

Another study of employees in U.S. companies found that a company's corporate citizenship activities had a positive effect on the average employees' satisfaction and loyalty. In particular, employees involved in employer-sponsored community events were 30 per cent more likely to want to continue working for their employer and help it succeed.¹²

Balance. In February, Guy Russo, CEO of McDonald's Australia told the Australian Human Resources Institute that work – life balance was important for individual productivity

McDonald's has always tried to create an atmosphere in which our people can enjoy what they do. Enjoying what you do, getting pleasure from what you do and what you achieve, is vital if we are to sustain the passion that makes the difference in a business environment. But how can you have fun and be passionate at work if you don't also have a healthy and balanced personal life. And that means time away from work and some flexibility around how you do your job.

Getting that balance right is, of course, a complex issue for organisations, managers and staff but as noted in section 2 of this document this is one of those issues that is facing large numbers of employees and the concern about it will only grow in the years ahead.

Tip 7: Motivation. Focus more attention on non-monetary rewards like finding ways to help employees feel that their jobs are intrinsically worthwhile – including through corporate social responsibility.

¹² Gianni Zappalà, University of Sydney, "Corporate Citizenship and Human Resource Management", February 2004, <http://www.orfeusresearch.com.au/>

7 – Consider blogging

Still in its infancy, blogging as an internal communication mechanism seems to have a lot to recommend it. It is cheap and easy and it can overcome some employee scepticism about corporate 'spin'. But it requires a lot more trust and openness than is usually seen in big organisations.

The April edition of *Fast Company*¹³ neatly set out the potential benefits of blogging:

Unlike email and instant messaging, blogs let employees post comments that can be seen by many and mined for information at a later date, and internal blogs aren't overwhelmed by spam. And unlike most corporate intranets, they're a bottoms-up approach to communication.

In March, I contributed a feature to the *Australian Financial Review*, called "Blogging: a personal medium becomes the message", which

This emphasis (of bloggers) on authenticity, and personal engagement with the audience, leads many blogging experts to be deeply sceptical about the prospects for blogging in the corporate world. Weblogs are personal, passionate and opinionated - all attributes rarely found in corporate communication.

Dublin PR practitioner Tom Murphy says he has experimented with executive weblogs and "the feedback from customers and staff has been extremely positive, but if a team of copywriters is posting the content under the name of the executive, it is usually very apparent - and readers won't like it".

Albrycht cautions: "if you are not prepared to truly engage with your readers [be they customers, potential customers, partners, journalists, investors] you shouldn't bother with a weblog. You already have a website that takes care of static displays of brochureware."

¹³ It's A Blog World After All, *Fast Company*, April 2004, Jena McGregor

Despite the considerable culture shift required, some companies¹⁴, particularly in the US, are putting their toe in the blogging water:

Software maker **Macromedia**, one of the first companies to adopt blogs for customer service, saved tens of thousands of dollars in call-center support when it released a crop of new products for software developers in 2002. A trusted group of employees started blogs to answer users' questions, and the blogs have grown into online communities that give Macromedia valuable customer feedback.

The **Hartford Financial Services Group** is already finding success using blogs in one of its mobile groups. A team of 40 field technology managers, who serve as links between The Hartford's network of insurance agents and the home office, set up a blog in August. They use it to share information about e-commerce features and solutions to technology problems. Before, email and voice mail sufficed, but email threads would die, and there was no way to search past shared information. "We don't get a chance to talk with each other as often as we'd like," says Steve Grebner, one of The Hartford's field managers, who thinks of the blog a little like a town square. "To me, it's like there's 14--or 40--brains out there, and you might as well tap into that knowledge base."

IBM began blogging in December, and by February, some 500 employees in more than 30 countries were using it to discuss software development projects and business strategies. And while blogs' inherently open, anarchic nature may be unsettling, Mike Wing, IBM's vice president of intranet strategy, believes their simplicity and informality could give them an edge. "It may be an easy, comfortable medium for people to be given permission to publish what they feel like publishing," he says.

TIP 8: Blogging is here to stay. It can offer many advantages for both internal and external communication but there are some tricky issues to be navigated along the way.

¹⁴ Examples from: It's A Blog World After All, Fast Company, April 2004, Jena McGregor

8 – A note on mechanisms

Scepticism about corporate ‘spin’ means that face to face communication continues to be the most popular and effective form of employee communication. Other mechanisms should be used to support face to face, but never been seen as substitutes for personal contact.

Powerpoint is one aspect of personal communication that has been very much discussed over the past 12 months. The issue: to what extent does it help or hinder personal interaction. The current debate got a kick along with the publication of an article¹⁵ in Wired magazine last September by Yale University design guru, Edward Tufte. He concluded:

Presentations largely stand or fall on the quality, relevance, and integrity of the content. If your numbers are boring, then you've got the wrong numbers. If your words or images are not on point, making them dance in color won't make them relevant. Audience boredom is usually a content failure, not a decoration failure.

At a minimum, a presentation format should do no harm. Yet the PowerPoint style routinely disrupts, dominates, and trivializes content. Thus PowerPoint presentations too often resemble a school play -very loud, very slow, and very simple.

The practical conclusions are clear. PowerPoint is a competent slide manager and projector. But rather than supplementing a presentation, it has become a substitute for it. Such misuse ignores the most important rule of speaking: Respect your audience.

Following this article, I made my own contribution in the *Australian Financial Review* in October 2003, called “Death by Slides: Say it Don’t Show it”¹⁶. My conclusion was similar to Tufte’s

Try to make shorter speeches that focus on messages rather than information downloads, and spend more time preparing and rehearsing them.

¹⁵ <http://www.wired.com/wired/archive/11.09/ppt2.html>

¹⁶ Available here http://trevorcook.typepad.com/weblog/2004/02/death_by_slides.html

Unbundle the PowerPoint conglomeration and talk when it's appropriate to talk, give out material to supplement the presentation if necessary, and use the slides for the genuinely visual bits like maps, charts and pictures.

Email overload is another major problem for effective communication in large organisations. None of us could live without these days but overuse and inappropriate use has made it a burden for many people. In addition, the use of email as a substitute for personal contact has seen this powerful communication tool become responsible for less effective communication.

TIP 9: Presentations. Think before you present. Remember content is always more important than decoration. No template can replace the need for the presenter to think carefully about what to say and why. Lastly, use visuals when they add value but not as a crutch or a distraction.

TIP 10: Email. Works best, when used sparingly. It's not an effective substitute for personal interaction. Blogs can often be a better way to share information and ideas with a lot of people.

9 - Tips

1: Do it now. *Employee communication is an excellent way to improve corporate performance. But don't put it off or you'll have to deal with an increasingly disaffected workforce.*

2: Auditing works. *Get a clear idea of the specific elements of the problem in your organisation, before you spend time and effort improving internal communication.*

3: Understand your employees. *Make sure your internal strategies are based on an understanding of real people with real concerns and not some generic group called 'employees.'*

4: Stay on top of attitude trends. *Do some form of regular research to spot any trends or significant shifts in employee attitudes.*

5: Coherence. *Adopt a strategic approach and ensure your messages re-inforce each other by addressing real employee concerns in the context of your business strategy, avoid 'marketing' and 'feel good' approaches.*

6: Message consistency. *Employees follow the lead they get from senior managers. If the messages conveyed by management action are in conflict with the messages in your formal materials, your materials will lose every time.*

7: Motivation. *Focus more attention on non-monetary rewards like finding ways to help employees feel that their jobs are intrinsically worthwhile – including through corporate social responsibility.*

8: Blogging *is here to stay. It can offer many advantages for both internal and external communication but there are some tricky issues to be navigated along the way.*

9: Presentations. *Think before you present. Remember content is always more important than decoration. No template can replace the need for the presenter to think carefully about what to say and why. Lastly, use visuals when they add value but not as a crutch or a distraction.*

10: Email. *Works best, when used sparingly. It's not an effective substitute for personal interaction. Blogs can often be a better way to share information and ideas with a lot of people.*

Annex - NASA's audit prompts management reform

From an article published in the NY Times on April 14, 2004

NASA will move quickly to improve communication in the agency after the release of a survey showing employees are still apprehensive about speaking up on safety questions.

The findings, reported in a 145-page assessment of NASA's culture based on a survey of thousands of employees, show that the agency has not overcome communication problems cited as a factor in the Columbia space shuttle disaster.

The Columbia Accident Investigation Board concluded last year that the Feb. 1, 2003, Columbia, accident, which killed seven astronauts, resulted as much from NASA's broken safety culture and reluctance to raise concerns as it did from a piece of foam insulation that knocked a hole in the shuttle's wing on liftoff.

In response, the National Aeronautics and Space Administration hired Behavioral Science Technology Inc. of Ojai, Calif., to develop and administer a plan to change the culture. The company surveyed employees throughout the agency to see how they felt about NASA and how open they felt communication was.

About 45 percent of the 19,000 civil servants responded. The report said the survey showed that open communication were not the norm, and that employees did not feel fully comfortable raising safety concerns with management.

According to the report: "Excellence is a treasured value when it comes to technical work, but is not seen by many NASA personnel as an imperative for other aspects of the organization's functioning," including management and communication.

NASA said its leaders had to move forcefully to show that communication skills were important and that the agency wanted to encourage openness.

Two tracks for employees may be needed, to separate management from technical excellence and to allow some people to advance and be rewarded without becoming managers, he said.