



## EMPLOYEE COMMUNICATIONS STRATEGY – Canadian National

### **The problem**

In late 1995, freight railway Canadian National was a 70-year old Crown Corporation that had a new lease on life as a corporation owned by shareholders rather than the federal government. A Board of directors, corporate governance, quarterly financial disclosure, railway analysts, and annual meetings of shareholders were all new to CN.

In 1995, CN was losing money. It took Canadian National \$1.07 to make \$1 of revenue (the so-called "Operating Ratio," a key industry index). If critical changes were not made soon, CN would have declared bankruptcy or been shorn up by taxpayer dollars.

CN boasted many "CN Families" where generations of extended families proudly worked for the railway, especially in western Canada. Because of this, long-standing Canadian National employees took the 1993-94 layoffs that hit CN after the major recession of 1991-92 particularly hard, thinking they had "escaped the downsizing axe."

At the railway, the vast majority of CN's 21,000 employees literally worked "on the [railway] line," so the only way to reach employees regularly was with hardcopy publications sent via Canada Post to the employee's home. Only 2,000 CN employees had computers on their desks and 1,600 of them were located at Montreal's head office.

### **The strategy**

Unlike many employee publications, the mission of *CN Magazine* was not "To inform, educate or raise awareness" of CN to its employees. As the centerpiece of CN's employee communications strategy, the mission for the employee publication was: "To foster initiative, creativity and a sense of urgency."

Where did this mission come from? The broad concept came from Paul Tellier himself. We were lucky to catch Paul going up the elevator one morning and popped the \$64,000 question: "*What are the three things that you'd like the employee communications strategy to focus on?*"

After many months of studying CN's numbers and performance, Paul had the answer, which we crafted into "foster initiative, creativity and a sense of urgency," and placed in every issue of the employee magazine. We now had the strategy for employee communications that would lay the foundation for change at CN.

How did the magazine's mission translate into copy? We wrote articles about employees, (including executives) that showed initiative, creativity and a sense of urgency. If an article didn't meet at least one

of these three criteria, it had a slim chance of getting published. Of course, we also published financial results, performance numbers and business goals.

As well, a key component of the strategy was openness and access to the CEO: we started doing quarterly phone calls with 800 front-line supervisors—a decade before mass teleconferencing was neither popular nor easy.

### **The tactics**

- A front cover of the employee magazine (shot specifically as a front cover), that grabbed employees and shouted: "Read me now!"
- A Table of Contents that was, in fact, a synopsis of the entire magazine's contents. If employees read only the Table of Contents, they would understand 80 percent of the publication.
- A short editorial from Paul Tellier that encouraged employees to take initiative, be creative, and have a sense of urgency, whether they worked in Operations, Maintenance, or Marketing.
- Letters to the Editor: we frequently published letters that criticized the magazine's content and even management. You can't get people to take ownership and have initiative if they fear reprisal. The Letters to the Editor said: "It is O.K. to have a different view."
- Railway indices: the Operating Ratio; the customer satisfaction index; on-time train arrivals; bills of lading received electronically [a measure of automation]; freight loss and damage; and claim settlement. It turned out that these indices were readily available in both Operations and Marketing, *but no one had ever thought to share them with employees.*
- We spent a lot of time planning the photography and graphics for each issue. We wanted lots of "railway beauty shots." We wanted lots of pictures of CN employees. We wanted down-to-earth shots of CN executives. And we wanted shots of both employees and executives to be of the same quality. We did not want historical photos. This was a brand new railway with brand new attitudes.
- Every photo had to exude initiative, creativity, and a sense of urgency.
- We published detailed results of employee attitude surveys and followed up with action plans.
- We published a lot of charts and graphs, together with explanations on what these indices were and how to read them. These existed in the bowels of the Marketing and Operations departments, but had never before been shared with employees.
- We published a lot of Q&A-type interviews—minimum editorializing. These were very popular.
- Employee opinion round-up: employees from all across CN were asked their views on a variety of questions for each issue of *CN Magazine*.