

# The Trials and Rewards of Effective Change Communication



by Caroline Sapriel, Managing Partner, CS&A International

*Change is inevitable. Sometimes it springs upon us without warning and forces us to react. At other times, we have the opportunity to shape the change itself or plan for the foreseen events. Whether planned or not, communication is key to successful transformation. Clear objectives, careful stakeholder mapping and strategic and well-executed plans are vital to steer through the period of change with optimal results.*

In this article, Caroline Sapriel of CS&A International talks to two organizations that are going through change programs. Representing two vastly different industry sectors - banking and tobacco - and addressing completely different types of change, Wilfried Remans, Director of CSR & Public Affairs at BNP Paribas Fortis, and Rodolphe Van Nuffel, Corporate Affairs and Communications Manager Benelux at Japan Tobacco International, share their experiences in managing change communication

in their respective companies.

***Caroline Sapriel (CS): Your organization has undergone some change recently, could you briefly describe the type and scope of the change?***

**Wilfried Remans (WR):** Since the financial crisis, the banking sector has implemented thousands of pages of new legislation, recruited many new employees in compliance and control functions, and trained the commercial staff in respecting this new regulation. However, besides respecting legal and regulatory provisions, banks are also expected to positively contribute to society. This change process in which Corporate Social Responsibility (CSR) is being integrated into the core activities of the banking sector is gaining momentum.

While our CSR department was created around 10 years ago, the arrival of the UN Sustainable Development Goals and the Paris Agreement on Climate Change in 2015 has accelerated the integration of sustainability across the company.

This has happened on different levels. On the first (and oldest) level, we have integrated employee and client involvement in our philanthropic activities across the company. The second level concerns our core activities: reducing the negative impact of our own activities on society. Here, we have increased the number of sectors in which we put strict conditions on our financing and investment activities, training our employees across the bank and reducing our own carbon footprint. On the third level, we aim to increase the positive impact of our core activities, which means that we are integrating sustainability in our finance and investment activities.

**Rodolphe Van Nuffel (RVN):** In 2014, Japan Tobacco International (JTI) announced the closure of its tobacco producing factory in Wervik by 2018. As the factory is part of a regional network of JTI factories more of which would be closing, it was decided to make one early announcement for all concerned entities. This way, we hoped to provide clarity for the

employees involved and have the opportunity to use this four-year period to prepare them for the future, whilst maintaining their motivation. The gradual reduction of the workforce is happening in line with the phased production volume transfer to our factory in Poland.

The decision to close the factory was made at the global level, and as soon as the local management team clearly understood that this would indeed be the way forward, the immediate intent was to make this “the best closure ever” for our employees.

***CS: What were the key objectives of the change program?***

**WR:** We have defined four strategic pillars defining our economic, social, societal and ecological responsibilities. In each of the pillars, we have defined four measurable targets – including reducing our own carbon footprint, increasing our financing of renewable energy, and increasing our reach to microfinance beneficiaries. The achievement of these targets has an impact on the bonus of our senior management. In Belgium, we have defined targets that are relevant for all staff, such as the printing of less paper or undertaking the latest compliance training. Here also, the successful implementation of these targets affects compensation levels.

**RVN:** The key objectives within the project were:

- To get the unions on board as soon as possible to prevent possible future issues and have them understand our best intentions towards our employees, in spite of the situation;
- To ensure that the factory will be able to keep running in the next four years without loss of productivity or efficiency, so continued employee motivation was top of mind;
- To ensure that our employees (including agency workers) are both mentally and practically prepared for their future and strengthen their chances in the job market; we still want them to “have the opportunity to pursue their goals, develop their skills and improve their performance,” even though we know it will be for a new employer;

The ultimate goal for each employee at the personal level is to have a clear idea of what their next steps are (e.g. what type of new job, enrolling for further education, becoming an entrepreneur, etc.), on their last working day at the factory.

***CS: How long did the change program last? Is it still going on?***

**WR:** We have already implemented the first three-year CSR plan, and meanwhile, a new plan has been launched (2015-2018), in which we see the change across the company accelerating. On a group level, this year, CSR has been placed on the same level of importance as greater integration and digitalization, and further initiatives are being taken to bring our investments to a new level.

**RVN:** The program started in 2014 and will last until the very last day of the closure in 2018.

***CS: Can you briefly describe three challenges your organization faced/encountered through this change program?***

**WR:** The first challenge is to get employees on board: informing them about the objectives and the existing activities, raising awareness of how it impacts their own activities, but also engaging them to take initiatives, at least on the first level.

The second challenge is to align the different initiatives, as the integration of CSR is being picked up by all businesses - from our retail, private and corporate banking activities, across human resources, procurement, facilities and up to compliance and risk. To achieve this, an informal internal network has been created to complement the formal targets.

The third challenge is to involve our external stakeholders: private individuals, companies, universities, public authorities, etc., but also activist NGOs, whose role it is to push companies towards further commitments.

**RVN:** At the moment of the announcement, we had 125.96 FTE employees

and 23.37 FTE agency workers in our factory. It was of vital importance to keep all employees motivated because, although the closure was announced, the factory still had to produce for four more years, including even facing a temporary increase of its production due to new EU legislation for tobacco packaging. The management of the factory decided to translate this unforeseen situation into new chances for all concerned employees by developing an intense social dialogue.

***CS: What are the three key benefits that were generated by this change program?***

**WR:** One, an increasing integration of CSR across the company strengthens employee commitment and pride; two, innovation and the identification of new revenue streams improving business results; and three, enhanced interaction with external stakeholders.

**RVN:** After the closure was announced, local management decided to immediately take action and enter into a dialogue with the trade unions, and make clear from the start that although this is a tough situation, “we are all in this together” and JTI will still work towards finding the best possible outcome for its employees.

In the period following the announcement, HR took the time to talk to the trade unions, both formally and informally, and to the employees, and after only three months there was a final social plan on the table. This was achieved by acting quickly and in a transparent way, making sure that people are fully aware of the situation and could be involved in the process and the openness of the dialogue.

***CS: Overall, how did your organization experience the change?***

**WR:** The organization is living the change, allowing for a continued integration of CSR on a strategic and business level.

**RVN:** Because of the unique and dynamic outplacement approach, in combination with a continuous open dialogue, JTI-Gryson succeeded in keeping almost all of its contracted employees, including the union

representatives, motivated and at work throughout the process. In 2016, two years after the announcement of the closure, the company even succeeded in reaching a peak in production with, at a certain moment, a total of 240 permanent and agency workers. Productivity and efficiency remained stable and even improved slightly. Finally, in November 2017, JTI-Gryson was awarded the Belgian Corporate HR Award in the category Transformational Change & Organizational Effectiveness recognizing the company for its HR approach and staff guidance following the announcement of the closure of the factory.

Well-managed change communication can make or break any transformation program as clearly highlighted in these two cases. When change is an inevitable consequence of an organization's strategy, never is the popular adage often attributed to Benjamin Franklin "failing to plan is planning to fail" more appropriate.

*Contributing to this article are: Wilfried Remans, Director of CSR & Public Affairs at BNP Paribas Fortis SA/NV and Rodolphe Van Nuffel, Corporate Affairs and Communications Manager Benelux, at Japan Tobacco International*

*Caroline Sapriel is Managing Partner of CS&A International, a specialist risk, crisis and business continuity management firm helping global organizations across industry sectors become more resilient.*