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Qualitative Research with Employees of the Industry Sector of Industry Canada

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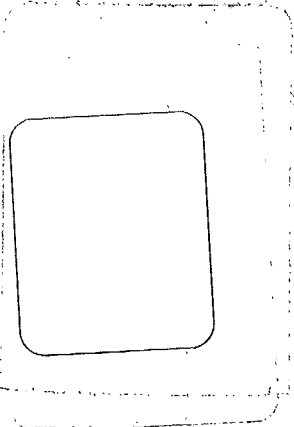


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Executive Summary

- ◆ Industry Canada commissioned COMPAS to undertake qualitative research with Industry Sector employees to explore issues related to the Sector's marketing and communications agenda. The study consisted of four focus groups and 21 interviews, and was conducted between March 8-25, 1996.
- ◆ The issues often evoked strong emotions on the part of participants, such as frustration and anxiety, but also cynicism and scepticism. This appeared to be primarily related to difficulties people perceive in having to accomplish what they are asked to do, and the value of the service they feel will result.
- ◆ Employees expressed mixed views about the re-organization. Some felt it was relatively well done, and pointed to the speed with which it was completed, the team-based approach, expanded personal responsibility, and the quality of communications during the re-organization. Others were less positive and cited uncertainty about the Sector's direction, reduced ability to serve clients, and increased confusion about who the client is.
- ◆ Participants cited a range of impacts that resulted from the re-organization. This includes increased workloads, loss of expertise, start-up difficulties making teams effective, uncertainty about job responsibilities, greater isolation from clients, and loss of program funding. These things were seen to significantly reduce employees' ability to provide quality service to clients, and fundamentally change the way people worked.
- ◆ Support for the team-based approach was strong and widespread. However, there was a strong sense that teams are still feeling their way, with people learning to adapt to this new work style.
- ◆ Employees tend to have negative expectations for the future. This relates to the future of the department, the sector, their branch and their job.
- ◆ There is widespread understanding of the Sector's mandate to provide information products and services to Canadian industry. However, many do not have a clear understanding about how this is to be done, and are unsure about what the mandate means to them and their job. This appears to be particularly true of middle managers, but not only.
- ◆ Given the lack of understanding on how to implement the mandate, many employees have not "bought into" it. They are sceptical that they will be able to serve clients well through the provision of information products.

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- ◆ There was a strong sense among many participants that the Industry Sector is over-extended. They felt that the Sector was trying to do too many things. As a result, they expected that few of the tasks would be done well.
- ◆ Many felt they no longer knew who their client is: large multinationals, all firms en masse, small and medium-size enterprises (SMEs), or the Minister and senior management. In addition, many said they have less contact with external clients, and feel disconnected from industry.
- ◆ Many felt strongly that there were too many internal demands, and that these took time away from more client-centred activities. Moreover, such demands were seen to be increasing.
- ◆ Product development in the Sector was widely seen to be top-down & technology-driven, not client-centred. There was a strong feeling that products are being created without taking into account client needs. Many also questioned the usefulness of electronic products and felt that these were not valuable to clients, particularly SMEs.
- ◆ A minority of participants felt that their branch has a relatively good understanding of clients' needs. This understanding is obtained in varied ways which tend to be viewed as "proxies" for more formalized market research.
- ◆ Taken together, the results point to a lack of confidence in the Sector's ability to offer value to clients. This view is focused on information products, not on the advocacy role related to policy development. Many clearly stated that they feel the Sector does not offer value to clients, and that clients are not being well served.
- ◆ Many spoke of the existence of a "silo" orientation within the Sector, where each branch tends to work in isolation, unaware of what is happening in other branches. This was seen to be a significant impediment to the development of new products and services.
- ◆ Participants exhibited an uneven understanding of the marketing process. Some felt they understood marketing and, upon detailed probing, exhibited a level of understanding that reinforced their claim to knowledge. Others also felt they were knowledgeable. However, upon probing, they either acknowledged significant gaps in their knowledge or exhibited little understanding of marketing. A third group volunteered that marketing was new to them, and that they did not know much about it.
- ◆ There was a very scattered sense of responsibility for marketing. Many do not see marketing as part of their job or role, or do not want it to be part of their

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job. Some seem prepared to do marketing but do not think it should be their main role.

- ◆ Employees have a divided view of the Marketing and Promotion Services group. They tend to fall into one of three "camps":
 1. *Low awareness/familiarity*: Some people were either unaware of MPS or, more often, were aware of their existence but were unfamiliar with what they do and the services they offer.
 2. *Low confidence*: Some voiced concerns about the marketing-related skills, knowledge and experience of MPS staff. They tended to view MPS staff as a group of people pulled together in an ad hoc manner from various parts of the Department who lack experience or knowledge about marketing. While some have not yet tried to access MPS services for this reason, others have used them and were not satisfied with the result. A sub-set of this group are those who are giving MPS the benefit of the doubt, lacking confidence but feeling it is still too early to know whether or not MPS will prove useful.
 3. *Higher confidence and supportive*: Some people hold positive views of MPS and expressed confidence that MPS could provide valuable marketing support. Typically, they have used MPS services and were very satisfied with the results.

- ◆ A range of marketing service ideas were articulated, including MPS using an account executive model, templates for information products, case studies to support product development, educational support to increase understanding of marketing, customized marketing training, corporate promotional and presentation materials, writing/editing services, and support for market research and trade fairs.

- ◆ Discussions of internal communications tended to be straightforward compared to those involving the re-organization, the Sector's mandate or related marketing issues. The strong emotions evident when exploring these other issues was largely absent from evaluations of internal communications.

- ◆ Overall, most people offered positive views about internal communications. In general, people felt fairly well informed about developments within the Sector. In addition, most felt that internal communications have improved since the re-organization, particularly communications from above. Not surprisingly, people tend to be most knowledgeable about what is going on in their branch, followed by the Sector, and then the Department overall.

- ◆ It was frequently noted that vertical communications within the Sector was more effective than horizontal communications. Vertical communications, however, was typically equated to mean top-down communications, as contrasted with two-way flow. While people valued the information they

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received from senior management, some were critical about the lack of two-way dialogue.

- ◆ The main sources of information were face-to-face communications, followed by e-mail. Verbal communications consisted of two main types: branch meetings or talking with co-workers/friends. Often held on a regular basis, branch meetings were seen to be extremely helpful in keeping people abreast of developments. Some stressed the importance of the interactive dimension.
- ◆ E-mail was identified as a main source of information, particularly but not only in the regions. Letters from the ADM stand out as being especially useful in keeping employees informed of developments in the Sector. As well, the range or scope of information transmitted by e-mail was cited. However, there was virtual unanimity in feeling overwhelmed by the volume of e-mail, much of which was viewed as "junk mail".
- ◆ Participants were divided in their views about their opportunities for input. For some, this was not a problem at all. Others felt strongly that they were not being heard. This view appeared to be more common among middle managers and regional staff.
- ◆ Subgroup variations were minimal (i.e. differences based on job level, language or geography).
- ◆ Please see the last section of this report for a review of recommendations flowing from this research.

Introduction

Industry Canada commissioned COMPAS to undertake qualitative research with Industry Sector personnel. The main purpose of the study was to investigate the attitudes and expectations of Sector employees as part of the Sector's marketing and communications planning agenda.

Like other federal government departments, Industry Canada has recently gone through a massive re-organization and restructuring process. It has emerged from this process with a revised mandate and mission. Cutbacks have ended the Industry Sector's traditional role of supporting industry through grant programs. Now, the sector is reinventing itself to provide strategic information to Canadian industry to help it become more innovative and competitive in the global marketplace. To help it achieve this goal, the Sector is developing a marketing and communications strategy.

Specifically, the research was designed to determine:

- ◇ how employees view the re-organization, and their expectations for the next two years;
- ◇ their understanding of "marketing" and related issues;
- ◇ attitudes toward the Sector's revised mandate and the development process for information products and services;
- ◇ whether current internal communications channels are doing the job;
- ◇ whether they see opportunities for input; and
- ◇ how they view internal and external marketing and communications efforts.

The research consisted of four focus groups and 21 in-depth interviews. Two focus groups were held in English, two in French. One group per set consisted of management-level employees, the other non-management level personnel. For the management groups, team co-ordinators, team leaders and "senior" officers were recruited. They did not include EX category staff (these were included in the in-depth interviews, see below). Non-management groups comprised mostly officer-level personnel, but included a small number of administrative staff.

The following characteristics apply to the 21 interviews:

Employee Level	Interviews
Senior managers	6
Team leaders, co-ordinators & senior officers	8
Non-management staff	7
Total	21

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Of these interviews, five were conducted in French and five in the regions.

A notification letter was sent by e-mail to all Industry Sector staff by the ADM, Mr. Banigan, to inform them of the study and to encourage participation. The focus groups were held during regular business hours at a regular focus group facility. The in-depth interviews lasted approximately 30-40 minutes and were conducted by telephone. The research was conducted between March 8-25, 1996.

The discussion guides for both the focus groups and interviews were largely the same, although the latter was shorter in length. Interviews with more senior level staff focused more on marketing issues, while those with non-management staff focused on internal communications.

For editorial purposes, the term "senior managers" will be used to describe EX-level participants (interviews only), "middle managers" for team leaders, co-ordinators and senior officers (focus groups and interviews), and "non-management" staff for all other participants (focus groups and interviews).

To a large degree, management and non-management staff held similar views. However, the views of each group occasionally differed as well. At these times, the results are discussed separately.

Qualitative research such as this, with a carefully selected cross-section of a target population (in this instance, Sector employees), identifies possible issues, attitudes and behaviours. The results, however, are not necessarily projectable to the entire target population. In this study, findings reflect top-of-mind reactions as well as considered reflections shared by Industry Sector employees regarding the Sector's new mandate and related issues. Participants' comments are provided in quotation marks. They are either actual verbatim quotes or have been paraphrased in a way that retains the intent of the original remark.

The principal investigator for this study was Stephen Kiar, Senior Partner responsible for COMPAS' Ottawa office. He moderated all English focus groups, conducted the EX-level interviews, and took the lead role in the analysis and report writing. Jocelyne Despatis moderated the French-language groups in Montreal.

Appended to this report are the following:

- ◇ copies of the screening questionnaire used to recruit participants; and
- ◇ copies of the discussion guides used to direct group discussion and to conduct the in-depth interviews.

Findings

The Context -- Attitudes Related to the Re-organization

High Level of Emotion and Frustration, Considerable Cynicism

Whether in focus groups or interviews, the issues discussed often evoked strong emotion on the part of participants. Discussions were frequently characterized by intense emotions, in particular frustration and anxiety, but also cynicism and scepticism.

Cynicism and negatives attitudes often go hand-in-hand with employee research in the federal public service at this time. This is typically related to things like the long-term pay freeze, reduced job security, lack of advancement opportunities, reduced training, and other working conditions that are less positive than before.

What is noteworthy with this study, however, is that the strong emotions appear to be directly linked to people's job responsibilities, not to these other issues. In short, the discussions were not characterized by griping. People's frustration and cynicism were focused more on the difficulties they perceive in having to accomplish what they are asked to do, and the value of the service that will result. Cynicism was sometimes accompanied by a nostalgic view, looking back to the "good old days" in the Sector. At other times, it was linked to participants' sense of not being listened to. In general, participants were better able to volunteer problems or difficulties, as opposed to strengths or opportunities.

Having said this, not everyone expressed strong emotions or tended to focus on the negative. Some were relatively optimistic, looking to the future in a positive light. This included people at all levels. However, some of the non-management staff who fit into this group displayed more of a "9 to 5" mind-set -- they did not appear to grapple with the challenges in the same way as middle or senior managers. Some almost seemed to be "going through the motions".

Mixed Views About Re-organization, Most Think Done Competently

Employees expressed mixed views about the re-organization. Some felt it was relatively well done, all things considered (i.e. given the need to significantly reduce staff). They tended to point to things like the speed with which it was completed, the new matrix structure/team-based approach, expanded personal responsibility, and the quality of communications during the re-organization.

Others were less positive about the re-organization. They tended to cite greater uncertainty about the Sector's mandate/direction, reduced ability to serve their

clients, and increased confusion about who the client is. A few simply equated it with downsizing, while others felt it lacked planning or were critical of internal communications during the re-organization.

Many expressed a mix of these perspectives, noting both benefits and drawbacks. All things considered, it appears that most employees felt that the re-organization, while not perfect, was implemented competently. Moreover, many acknowledged that something had to be done given the economic environment and the related lack of funding to support industry.

Representative comments include:

- ◇ "It was done humanely"
- ◇ "It was brutal, in terms of sheer numbers"
- ◇ "It has been, and is, chaotic. It's been a difficult year of adjustment"
- ◇ "It was very well done, considering what had to be done, the number of people that had to be let go. Cutting 50% of managers created a flatter organization and helped save line jobs"
- ◇ "We should not call it a re-organization, it was downsizing"

Since the re-organization, many believe that employees are still "feeling their way" through all the changes ("The changes and cutbacks were immediate. Now I feel like we are still floating"; "It went relatively well except employees are still in limbo. People don't know where they're going, not sure of their responsibilities").

Overall, employees' attitudes are likely as positive as could be expected given the scale of the re-organization and related downsizing.

Re-organization Seen to Reduce Ability to Serve Clients, Increase Confusion About Jobs

Participants readily volunteered a range of significant impacts that resulted from the re-organization. Indeed, discussion of the re-organization invariably triggered comments about broader issues. In particular, people tended to focus on two main areas: the re-organization was seen to 1) significantly reduce their ability to provide quality service to clients, and 2) fundamentally change the way people worked.

The impacts expressed with greatest frequency include:

- ◇ *Increased workload*: this concern was the most salient and frequently expressed. Virtually everyone felt they had to do the same or more work, with fewer resources. There was a strong sense that while the Sector has undergone significant downsizing, management expected the same output from staff ("We have to do the same amount of work with less. Quality is suffering as a result. Clients are not well served");

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- ◇ *Loss of expertise:* it was widely felt that much of the Sector's expertise left during the downsizing ("These people were the industry experts"). As a result, the Sector is seen to have a significantly reduced pool of expertise and is therefore less able to offer value to clients;
- ◇ *Start-up difficulties making teams effective:* while many applaud the move toward a team-based approach, most feel that people are still learning how to make teams effective;
- ◇ *Uncertainty about job responsibilities:* many are somewhat unclear about how to perform their job. This is directly linked to the changed mandate of the Sector, the addition of marketing responsibilities, and the team-based approach;
- ◇ *Greater isolation from clients:* given the cutbacks, many felt they had less of a hands-on relationship with their clients. Moreover, the internal focus was seen to be greater than before; and
- ◇ *Loss of program funding:* some bemoaned the fact that the branch no longer had money with which to support their industrial sectors.

These issues have consequences on employees' ability to perform their jobs and serve their clients. Most of the issues will be revisited in the passages that follow. Representative comments include:

- ◇ "We can't service clients like we need to"
- ◇ "I'm no longer sure what we offer clients"
- ◇ "Cutbacks have made it difficult to get anything meaningful done. Resources have been reduced, but not responsibilities"
- ◇ "I am sceptical about whether senior management understands the impact of the cuts on the Sector. With the loss in industrial expertise, we are unable to do this"
- ◇ "We no longer have the critical mass in some places to do the job"
- ◇ "Many of the diagnostic tools are gone"
- ◇ "We're not resourced to do the task"
- ◇ "I've been grieving for the past nine months. It's been a lost year"

Widespread Support for Teams, But Start-Up Difficulties and Uneven Experience Across Branches

Support for the new team-based approach was relatively strong and widespread. Most employees liked the greater authority and empowerment that went with it. However, there was a strong sense that teams are still feeling their way, with employees learning to adapt to this new work style. There was also a belief that experience with teams has been very uneven across the branches.

While most participants appear to be comfortable with the new matrix structure, some are not (mostly middle managers). These people tend to lack confidence in the new approach and are particularly critical of its implementation to date.

As mentioned, many question the current effectiveness of the teams (including team "supporters"). However, start-up difficulties were widely seen to be normal. The phrase "growing pains" was often used. Nevertheless, a few themes recurred:

- ◇ *Too many teams:* most people think there are too many teams (120 in the Sector). This was seen to increase confusion and the demand on employees' time (who must attend team meetings, particularly hard for smaller branches where resources are less able to accommodate this);
- ◇ *Lack of direction:* some felt that teams lacked direction, and that more communication was needed with management to help define duties and objectives. This lack of direction was seen to result in some team members picking and choosing work they preferred, and some teams being neglected due to a lack of interest. Underperformers were also seen to be less accountable under a team approach;
- ◇ *Difficulties adjusting to teams:* some felt that, as "specialists, employees have been "loners for decades". The adjustment from working alone to becoming team players was difficult and would not happen overnight; and
- ◇ A few felt that some managers viewed teams as an end in and of itself, rather than as the means to an end.

Representative comments include:

- ◇ "Changing the structure from one of command and control to a horizontal, lateral process, working in teams, will take some time to adjust. It's a question of learning and time"
- ◇ "Teams are refreshing, new, different. Are they working well? Yes and No. We are learning how to do it."
- ◇ "The ADM wanted teams and managers responded. Now there are too many teams -- over 120. Also, many people were used to working independently"
- ◇ "Teams are not yet succeeding as planned. There is a leadership vacuum for underperformers. And after years of downsizing, we are left with an employee base that often does not have the skills needed"
- ◇ "There is spotty team take-up and performance in the branches"
- ◇ "The mix of old and new hampers effectiveness. The silos are still there, working in isolation, the business planning process works in the same old way. This gets in the way of teams working more effectively"

With the re-organization, many felt it was difficult to produce anything during the first half of this year. The real work only began three-four months ago. Some felt that senior management expectations for more progress were unreasonable.

Negative Expectations For The Future

Employees tend to have negative expectations for the future. This relates to the future of the department, the sector, their branch and their job. When asked directly, people express little confidence in the durability of any of these.

Widespread Awareness of Mandate, Limited Understanding of How to Implement It

At a general level, participants have a clear understanding of the Sector's new mandate. However, many have difficulty understanding how to implement it.

At the highest level of abstraction, employees are unanimous in understanding (and supporting) the Sector's role. This is seen to be providing support for:

- ⇒ the international competitiveness of Canadian business,
- ⇒ increased exports, and
- ⇒ the federal government's jobs and growth agenda.

There is also widespread understanding of the Sector's revised mandate. That is, to provide strategic information products and services to Canadian industry to help achieve the above objectives. However, many do not have a clear understanding about how this is to be done. They are unsure about what the mandate means to them and their job. As a result, they are uncertain about how to do their jobs in light of the revised mandate and team structure. This appears to be particularly true of middle managers, but not only.

Quite simply, many people appear to have "lost their way": they are no longer sure of what they are doing. In addition, many feel relatively unsupported in doing their job developing and promoting new products.

Note that most discussions focused on information products, not on services or policy outputs. This signals the possibility that people may have an overly-narrow view of the mandate. There is the potential that employees will focus too much on specific "products" and lose sight of the broader mandate to offer service to industry (not just individual products) to help it become more competitive. This issue is flagged as a potential concern.

Limited "Buy-In" to Mandate

Given the lack of understanding on how to implement the revised mandate, it should come as no surprise that many employees have not "bought into" the mandate. For this and other reasons, they are sceptical that they will be able to serve client companies well as spelled out in the mandate (i.e. through information products): "Employees buy into the mandate at the highest level -- supporting exports, competitiveness, jobs. But if we go further and say, 'we shall do this by information products', many are offside on the specifics. If we say that we shall do it by electronic information products, even more are offside"

Overall, many expressed cynicism about the move toward information products. A lack of resources (especially the quality/quantity of available personnel) is seen to have a strongly negative impact on the quality of products branches are able to offer clients. That being said, many people recognize the need to shift focus now that there is no program money available. As such, significant numbers do "buy into" the revised mandate.

Factors relevant to this issue are discussed in other sections of this report.

Marketing and External Communications

Industry Sector Seen To Be Over-Extended

There was a strong sense among many participants that the Industry Sector is over-extended. They felt that the Sector was trying to do too many things ("We're biting off more than we can chew"; "We try to be all things to all people"). As a result, they expected that few of the tasks would be done well. Many strongly articulated the need for priorities to be set for the Sector, and criticized senior management for not doing this.

Participants noted that they had to do the same amount or more work (compared to before the re-organization) with fewer resources. People saw no evidence to support management statements that employees would be asked to do less work to match diminished resources. This over-extension leaves people feeling less able to add value to whatever they are working on.

Increased Confusion About Who the Client Is

Many volunteered that they no longer knew who their client is. They pointed to a number of possibilities, including large multinationals ("major players"), all firms en masse, small and medium-size enterprises (SMEs), or the Minister and senior management. Others simply identified two types of clients -- external clients and internal clients. Demands related to internal clients were seen to be particularly onerous (see below).

It was noted that many people in the Sector still do not understand SMEs, and that the Sector has been trying to re-focus its efforts to support this group for five years now, with minimal success. A few felt that a lack of understanding about SMEs was particularly evident among senior managers ("When did they last meet with an SME? They are only interested in meeting the big players").

Heavy Internal Demands Impair Client Focus

With the foregoing in mind, participants tended to focus on two types of clients: internal and external clients. Most felt that although the latter is paid lip-service to, the greatest demands come from the former.

Many felt strongly that there were too many internal demands, and that these took time away from more client-centred activities. An enormous amount of time and energy that people felt should be spent on interacting with clients has to be devoted to priorities dictated by senior management. The nature and volume of

internal demands was widely seen to be a significant obstacle that impaired employees' ability to effectively serve their clients. Moreover, internal demands were seen to be increasing.

Without exception, management requests tend to receive top priority. Many felt that whenever the Minister called (or senior management), employees have no choice but to respond to their requests, to the neglect of their teams and group projects. With the change in focus to information products, many felt they were bogged down by too much administrative work and were unable to concentrate on content/substance. Administrative and process-related requirements also represent significant demands on time ("The result is a lot of extra work on top of an already unmanageable workload"; "Although management espouses flexibility, the internal process tends to take this away"; "We're regulated to death internally").

This problem appears to increase with the level of the participant. That is, as one moves up in the organization, the amount of time focused on internal, administrative issues increases. It was a significant frustration for many, including EX-level participants.

Product Development Seen To Be Top-Down & Technology-Driven, Not Client-Centred

There was an overwhelming feeling that products are being created without taking into account client needs. This perspective was articulated in all focus groups and many interviews. The phrase "putting the cart before the horse" was heard on many occasions, in both languages. It was used to convey the view that products are being developed by the Sector before it has a sense of what industry clients need.

Related to this, branches are being told what to produce by senior management. Their flexibility is significantly reduced as they must respond to and develop pre-determined product lines (e.g. *Insight* products, SCFs, *Strategis* content). Some felt the Sector was in the process of creating "monsters": information products that require a lot of time and resources to maintain while budgets are decreasing. (One participant noted that there was still a lot of room to be creative and responsive to clients within the parameters set from above.)

Many participants also felt that Industry Canada was "ahead of its time" in terms of delivering products via state-of-the-art technology such as the Internet. They questioned the usefulness of (or at least emphasis on) electronic products and felt that these were not valuable to clients, particularly SMEs. A few, however, held contrary views. They felt the Sector is helping Canadian enterprises evolve

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into the information age ("It is appropriate for Industry Canada to break ground in the electronic dissemination of information").

Representative comments include:

- ◇ "Information products are being created without asking SMEs if they want or need it. Products are being developed without researching demand"
- ◇ "They are creating a lot of information products, but not products that are adapted to industry"
- ◇ "We have no view of the problem being solved by the products"
- ◇ "The lines of business are dictated from above"
- ◇ "We're told what to do. The process is chaotic"
- ◇ "No one asked industry what it wants"
- ◇ "It's top-down. A 'one-size-fits-all' approach"
- ◇ "There has been no client feedback. They don't seem to care about what the client wants"
- ◇ "Having information products is not a bad idea but the problem is that by using advanced technology such as the Internet, they are not client-oriented. Clients do not have time to surf the Net"
- ◇ "For SMEs, executives do not have time to use fancy tools. We meet them on the plant floor, not in an office"
- ◇ "Much of the process was top-down, but maybe that's not all bad. The product ideas may have filled a void in idea generation. I'm not sure of the amount of validating that was done"
- ◇ "SMEs have neither the time nor the resources to devote to products such as *Strategis* or *Insight*."
- ◇ "After meeting with industry associations, we identify their needs. However, we can't expect the client to leaf through pages on the Internet"
- ◇ "The process is ad hoc. We come up with ideas based on whatever we have heard, seen or read. A year ago, the branch was not encouraging ideas. Now we do. Employees don't hesitate coming forward with ideas. Often they are for products that are not costly"
- ◇ "We're fortunate. We have a highly informed and active client group. We work together. It is very positive, a partnership"

In light of the above, many believe that the product development process is top-down, technology-driven, and lacks planning, vision, research and follow-up.

A number of participants (clearly a minority) felt that their branch has a relatively good understanding of clients' needs. This understanding is obtained in varied ways which tend to be viewed as "proxies" for more formalized market research, including:

- ◇ all manner of forms of informal contact with clients,

- ◇ attendance at association general meetings, trade fairs, and other industry events,
- ◇ different forms of consultations (e.g. regarding the SCFs, CIBs),
- ◇ dialogue with active industry associations (some sectors are fortunate to have organized, active associations that are seen to accurately reflect their membership base), and
- ◇ dialogue through National Sector Team (NST) meetings.

Some also use similar processes to "validate" their products or thinking, such as talking with clients or key people in associations/provinces, or using a "panel" of key groups (e.g. academic, industry executives). Moreover, some branches are clearly better at encouraging idea generation to support product development.

Sense of Isolation from Clients

Participants generally felt that the best way to understand what clients need is to be in close contact with them. However, many felt that they were actually less close to their clients than previously, and that the distance or sense of isolation was growing (some said this was not the case). This was mostly attributed to two issues: 1) less money to travel to meet the clients, and 2) less time available to meet and talk to clients ("The link with industry is important. Anytime you come in contact with them you are marketing. Now, given the lack of resources, this contact is decreasing because there are less people doing this"). In short, many feel they have less contact with clients, and feel disconnected from industry.

Only a few people seemed to be comfortable with the level of contact they have with their clients and knowing what they want. Some felt that it was the support systems around them, such as senior management or MPS, that are most disconnected from industry.

There was also a sense that industry clients would no longer want to meet with Sector officials because it no longer has program money to offer ("With cutbacks, programs are no longer available as a tool for officers. The problem is that companies will not meet with us if we have nothing to offer that is of any value"; "We need to offer something useful to firms. Otherwise, they don't want to talk to government").

It was noted with much frustration that senior managers often do not debrief branch staff following high-level meetings with their client group (meetings which branch personnel often have to work hard preparing senior managers for). This contributed to a lack of understanding of the client (as well as being demoralizing for employees).

The issue of Sector visibility is an important factor here. To successfully market the Sector, people felt it must have visibility with industry. However, the perceived isolation from industry clearly mitigates against this.

Lack of Confidence -- Many Question Value of Products, Ability To Offer Value To Clients

Taken together, the results clearly point to a lack of confidence, even a crisis of confidence, in the Sector's ability to offer value to clients. This view is squarely focused on the information products, not on the advocacy role related to federal government policy development. Indeed, many clearly stated that they feel the Sector does not offer value to clients, and that clients are not being well served.

There was a sense of pessimism about the ability of the Sector to create information products that are useful or relevant to companies. A few questioned whether any of the contemplated information products offer any real strategic information.

In addition to perceived lack of relevance, factors that contribute to a lack of confidence in the information products include:

- ◇ *lack of value-added*: some felt the Sector is less able to add value since much of the expertise (from where the value-added would derive) has left the department. Junior staff were seen to lack the skill set, sector knowledge or experience to add real value ("We need to have exceptionally talented people in the Sector, with the right experience, to be able to help industry. But we have too many junior people so we underperform");
- ◇ *lack of timeliness*: "Clients want updated, relevant information, not dated stuff"; "Given the cumbersome internal process, going through the Director, DG, etc., by the time it comes back, the chance is already lost to serve clients. It's not news anymore";
- ◇ *credibility problem*: Industry Canada (and the Sector) are seen to have a credibility problem with other federal departments and with industry;
- ◇ *lack of time/resources*: "Developing good products requires time which we do not have given the workload"; and
- ◇ *few comparative advantages*: many are able to cite few comparative advantages for the Sector as an information provider, with some volunteering that there are none (see below).

Representative comments include:

- ◇ "The information products are too broad. They are not useful enough"
- ◇ "Simple things are asked for by SMEs. This is out of whack with the products being developed"

- ◇ "Much of this information is not useful to firms. They can do better themselves"
- ◇ "We have a strong sense of what the client wants, but we are not delivering it. We need to fix what we are delivering before we brag about it"
- ◇ "We need to develop niches. Specific, useful products that are more focused, less high level"
- ◇ "There is a serious problem for any product. That is the availability of people who have the information in their heads to work with others who will put it on paper. They have no time, working to their own deadlines. We are stretched too thin"

Many people (including senior managers) have serious reservations regarding the value of information products that are now being produced. This includes *Insight* products, some of the information being placed on *Strategis*, the *SCFs* (valued as a policy tool, less so as an information product), and the *Technology Roadmap*. In each case, people question whether these are things companies want or need, particularly SMEs ("*Insight* products are very time-consuming, but I'm not sure how useful they are"; "I'm not happy with the *Insight* model. Internet has already surpassed this").

Some felt that the information the Sector is capable of putting together is not of a "strategic" nature from the perspective of private enterprise. It provides government with strategic windows on various industry sectors, not vice versa. They felt that government will never know as much as sector specialists (economists, engineers and so forth).

Only a few people who commented directly on them thought the information products were good.

Some people were also concerned that the quality of the information products would deteriorate in the coming years. A key challenge is keeping the products up-to-date. The shelf-life of strategic information was seen to be very short.

Some participants spoke of competition between branches to get products out the door. Others noted that there was pressure on branches that did not have information products to produce them. A small number noted that their branches were involved in developing information products before the new mandate. As such, the transition was easy.

Many were highly sceptical about the idea of selling some of the new products. Some even ridiculed the idea that their products would sell (or be worth buying). They consider this to be a big challenge. They felt they would be hard pressed to justify the products' usefulness and value to clients ("There'll be a rude awakening when they try to sell products"). Some actually believe that companies have

wanted their products only to obtain free diskettes! However, a few people were more optimistic about the Sector's ability to sell information products. (Note that few products are being charged for, and that few people understand how to go about pricing a product.)

Many Think Clients Not Well Served

In light of the above, it is not surprising that many participants feel they are not serving their clients well. They point to themes discussed elsewhere in this report (i.e. fewer resources, lost expertise, non-strategic products, no money, etc.). However, some people do think their branch is doing relatively well serving its clients ("Pretty well. It could be done better, but we have fewer resources").

People were much more positive about the Sector's advocacy role (i.e. bringing industry concerns to the policy table within government). Most who commented on this aspect of the mandate thought that industry was being well served.

Questioning of Senior Management, Direction of Sector

There was considerable questioning and criticism of senior management (for both the Sector and Department overall), although it was not clear who was included in "senior management". This was true of all levels of participants. The focus of criticism includes:

- ◇ the top-down, technology-driven product development process, as opposed to a client-driven approach;
- ◇ the perceived over-extension of Industry Sector and inability to set priorities ("Senior management doesn't know how to say no");
- ◇ inconsistency of corporate direction. A number of participants noted that the push toward information products resembles "another fad" or "flavour of the month", of which there have been many. They wanted to see greater consistency ("Industry Canada has the attention span of a gnat"). Some felt that objectives are not carried through which only serves to emphasize the Department's overall lack of direction;
- ◇ the high level of internal demands. While some of these were admin-related, many were to respond to senior management requests; and
- ◇ some questioned the commitment of senior managers to the new directions (i.e. information products).

In addition, many wanted senior management to be more visible. There was a strong desire for MBWA -- Management By Walking Around. Significantly, Mr. Banigan himself is not a lightning rod for discontent. Indeed, despite repeated criticisms of senior management, Mr. Banigan emerges as very popular figure, with a great deal of credibility among Sector employees (at all levels).

Perceptions of "Silo" Effect

Many spoke of the continued existence of a "silo" orientation within the Sector, where each branch tends to work in isolation and is generally unaware of what is happening in other branches. This was seen to be a significant impediment to the development of new products and services since groups are not able to learn from the experience of others. Some try to compensate for the silo effect through informal networks, where they learn from their peers.

Objectivity, Expertise -- Key Competitive Advantages, Many Unable to Cite Strengths

A number of comparative strengths were identified by participants. In approximate order of the frequency of their expression, they include:

Objectivity, neutrality: typically mentioned first and most often. People felt that Industry Canada, as part of the Government of Canada, was seen to be objective, neutral, unbiased, an "honest broker", with "no axe to grind", no vested interest, that was "not selling anything" (although this latter point is changing).

Expertise: able to offer sectoral expertise, based on frequent, long-term contact with industry, provinces and other countries ("We're constantly in receipt of current information. We have tentacles operating on a daily basis"). Able to provide a fairly complete vertical picture of a given industry: suppliers, manufacturers, markets. Based in part on privileged access to information from firms that would not be given to other business information providers. The Sector's expertise was seen to be diminished by the downsizing.

Broader perspective: able to provide industry with a broader perspective: across sectors, across regions/countries, over time, key trends. Can help place industry-specific issues in a broader national and even international context ("SMEs are pre-occupied with their own bottom line. They don't have a broader view of their industry, other industries and how their's links to them, their marketplace, and other marketplaces").

Partnership: able to enter into partnerships with firms to support their success. This is done through joint projects, and providing leads and strategic information that firms can act on. Often able to inform industry of key things they did not know were happening.

Also mentioned were:

- ◇ advocacy role in government on behalf of industry;
- ◇ focus of the Department on the Information Highway, electronic delivery, Internet. This includes both a policy, substantive focus and having the technological infrastructure in place; and
- ◇ the Department's science and technology responsibilities.

It is significant that many were unable to identify any comparative advantages. A small number even met this question with derision, ridiculing the notion that the Industry Sector has any core strengths. Others could identify one strength only.

Most people clearly were not "positioning" the Sector or Department at all at this point when speaking with clients, although a few linked this to the lack of products currently available.

External Communications Not Seen as Effective

External communications were typically not seen to be effective in promoting the Sector to clients, either other government departments or industry. As noted, some felt the Department has a credibility problem, both with industry and other departments, such as Finance or DFAIT ("Other departments ask us 'have you figured out your mandate yet?'" ; "The industry perception is that Industry Canada is irrelevant"). Some felt that little progress has been made at changing Industry Canada's image from a funding department to that of an information provider.

Uneven Understanding of Marketing Process, Many Lack Knowledge

Some people clearly stated that they understood "marketing" and the marketing process. Upon detailed probing, they exhibited a level of understanding that reinforced their claim to knowledge. Often, these people had previous experience in the private sector, experience that included involvement in marketing. They tended to be comfortable with their marketing responsibilities. In fact, some were very excited about marketing and liked that part of their job. A few noted that this has long been part of their job, marketing the skills and services of the branch to others, inside and outside government. This group was a minority.

A second group also felt they were knowledgeable about marketing. Upon probing, however, they either acknowledged significant gaps in their knowledge, exhibited little understanding of marketing, or tended to equate marketing with the promotional aspect only (i.e. a narrow focus on promotion/selling). In short, these people do not know what they do not know (for instance, many could not identify what additional support they needed in the marketing area). A significant number of participants fall into this group, particularly non-management staff.

A third group readily volunteered that marketing was new to them, and that they did not know much about what was involved ("This is all very new for us. We are trying our best to develop a marketing strategy"; "No, I've never done this before. It's like flying a plane. If you can't do it, you don't know what you don't know. It a mind-set change. Don't expect it to happen overnight").

A branch's capability in marketing was sometimes strengthened through the use of outside consultants (usually linked to specific projects), reliance on in-house employees with a background in marketing, use of contract employees with specialized skills, and use of staff from the MPS group. The former is becoming less of an option due to shrinking budgets.

There was a very scattered sense of responsibility for marketing. For instance, many do not see marketing as part of their job or role, or do not want it to be part of their job. Approximately half the participants in the focus groups felt they did not have marketing responsibilities. The situation was similar with interview participants. Some people seem prepared to do marketing but do not think it should be their main role; they felt their focus should be on product development and identifying/targeting potential clients ("We should learn from the private sector. The product developer is not always the best marketer or seller").

Some people felt unsupported in terms of meeting their marketing responsibilities ("We're not getting the help we need"). People were often at a loss to identify the types of support they currently receive. In light of the limited understanding of marketing, however, it can be expected that many simply would not know what marketing support would look like (other than help in promoting/selling a product).

Supports that were identified include MPS services, some money for product development, assistance from other departments with a stake in the product/sector, some help from industry (very uneven, manpower and money), coop students, CIO, and support from senior management ("We get a lot of support from Mr. Banigan, but I'm not sure if he gets the support he needs").

Divided View of Marketing and Promotion Services Group

Employees tend to fall into one of three "camps" with respect to their current perceptions of the Marketing and Promotion Services (MPS) group:

1. *Low awareness/familiarity:* Some people were either unaware of MPS or, more often, were aware of their existence but were unfamiliar with what they do and the services they offer. This group has not tried to access MPS services.

2. *Low confidence:* Some voiced concerns about the marketing-related skills, knowledge and experience of MPS staff. They tended to view MPS staff as a group of people pulled together in an ad hoc manner from various parts of the Department who lack experience or knowledge about marketing. While some have not yet tried to access MPS services for this reason, others have used them and were not satisfied with the result. This overall group appears to be the largest (including the sub-set described below).

- ⇒ "I used them for speeches. It didn't work well. There were even factual errors. I won't use them again for this"
- ⇒ "They were helpful preparing presentations, but there were too many corrections needed. There is a quality control issue here."
- ⇒ "They lack knowledge about marketing. I wouldn't ask them"

A sub-set of this group are those who are giving MPS the benefit of the doubt, lacking confidence but feeling it is still too early to know whether or not MPS will prove useful.

- ⇒ "MPS is still developing expertise. It is too early to comment on their usefulness"
- ⇒ "Norm's group is just coming up to speed. They're overwhelmed by the demands. You're still a bit on your own now"

3. *Higher confidence and supportive:* Some people hold positive views of MPS and expressed confidence that MPS could provide valuable marketing support. Typically, they have used MPS services and were very satisfied with the results. This appears to be the smallest of the three groups.

- ⇒ "They did presentations for me. Made them look very professional. They also helped put together a marketing strategy. It was good. I'm very satisfied with them."

Current use of MPS tended to focus on a range of specific services: preparation of presentation materials ("decks"), editing/writing support (often leaving the client dissatisfied), and support/assistance with trade fairs and receptions (often leaving the client satisfied). A few branches have gone further than accessing individual services and have included an MPS staff person on their relevant teams. While experience with this is relatively new, it is seen to be working well.

Additional observations:

- ◇ Many do not understand the link between their responsibilities and those of MPS. As a result, they tend to be unable to recognize how MPS can offer assistance and therefore are less likely to call upon MPS services. This is clearly related to people's level of understanding of marketing. People who do not understand the marketing process are significantly

hampered in accessing MPS services: they simply do not know what to ask for. This highlights the importance of MPS providing guidance to clients to help them with the entire marketing process, including access to appropriate MPS services ("MPS could establish a plan of action and give order to the marketing process. This would help me put order in my own mind about the whole process").

- ◇ Numerous people felt that MPS was not very accessible. Some had tried to use them on a few occasions and then gave up when MPS staff were unreachable or too busy. The lack of back-up or contingency plans was also noted, should key people needed for certain tasks be unavailable. This perceived lack of accessibility was often related to inadequate/limited resources ("We often get answering services when we call. We need to be able to obtain services quickly"; "If we capture them for a marketing problem, it works well. But they are often too busy. I think their resources are woefully thin for branches compared to internal corporate demands. If people are turned away, they don't go back to the well").
- ◇ Implementation support is a key issue. Branch employees want to be able to go to MPS to obtain more than advice or planning support. They want hands-on support to help implement marketing strategies and activities. Clearly, resource levels are central to this issue.
- ◇ There was a strong sense that branches should focus on substance or content, while MPS should provide support to help with the rest. This "division of labour" was frequently, sometimes forcefully articulated.
- ◇ Some felt MPS could be of only limited assistance in providing marketing support because MPS does not understand their branch's clients ("I need to have confidence that MPS has the abilities to market my product. I'm not sure if MPS can market since they lack expertise in my sector"). This perspective led people to suggest a "partnership" model for relations with MPS. For activities that directly involved clients (e.g. market research, customer satisfaction measurement), participants value MPS support, but want to be very closely involved.
- ◇ Some felt that MPS should concentrate on promotion, delivery and follow-up. Others thought that MPS was there to do promotion/marketing for the branches. This tended to correspond to a narrow view of marketing.
- ◇ A few felt that MPS was created without consulting the branches on its potential usefulness. This is a bit of an irritant.
- ◇ Concern was expressed about MPS in a co-ordination role, facilitating the use of outside consultants. This was seen to have the potential to overly

complicate the process ("There would be too many questions"), while branches would need to do most of the work anyway.

Range of Services Desired From MPS

The following types of support were identified, either directly or indirectly:

- ◆ *Account executive model*: this approach would have an MPS staff person dedicated to each branch to serve as its main access point for MPS services. This person would work closely with the information product team (and others) in the branch, provide guidance/advice on marketing issues on an on-going basis, and facilitate access to required MPS services. In short, this approach would help fashion a more integrated partnership between MPS and the branches. As indicated, something akin to this is already taking place on a limited, ad hoc basis and experience is positive.
 - ⇒ "We need to be able to deal with the same person to allow for continuity"
 - ⇒ "They should be part of the project team. Involved from the early stages of product development to pushing the products out"

- ◆ *MPS promotional material for branch clients*: although not identified by participants, there appears to be a need for MPS to have its own promotional material. This might:
 1. profile MPS credentials (to dispel myths of lack of expertise),
 2. clearly define MPS' role (to position and contain client expectations),
 3. identify the range of services that are available,
 4. clearly position MPS in a supporting role (i.e. reassure people that MPS will not "take over" the client relationship), and
 5. explain how MPS fits into the marketing process (linked to the general educational materials discussed above?).

The tone of this material would treat branch employees as valued clients.

- ◆ *Models or templates for information products*: a number of people felt like they were "reinventing the wheel" when it came to developing information products. They thought it would be valuable if templates or models were created for some of the more common types of information products. These would then be modified by individual branches. This would enable branches to focus more on content, and less on form or packaging. Related to this was the need for some standardization in product form/appearance (i.e. having a "family" look). It was suggested that it was more appropriate for templates to reside with the MPS group than with the CIO because this would likely result in a more market-oriented, as opposed to technological focus.

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- ⇒ "I feel we're re-inventing the wheel each time we try to develop a product"
- ⇒ "For common products, they should provide more guidance -- how to get started, etc. Have an expert on hand -- in-house or outside -- to help do this. If it's in-house, they need to develop the expertise first"
- ◆ *Case studies to support product development:* related to the above, there was a perceived need for branches to learn from the product development experience of others. Case studies were seen to be one way to do this. This might consist of short abstracts on what has worked and what has not, with contact names for further information ("success stories"; "best practices from other branches").
- ◆ *Other support for product development:* given the importance of this activity, any additional support to assist branches in the development of information products would be appropriate.
- ◆ *Educational support to increase understanding of marketing:* there is clearly a need for Sector employees to better understand the marketing process. At its worst, this lack of understanding can result in employees being unable to perform their jobs. The team approach, with its reduced supervision, has the potential to inadvertently hide or camouflage the ineffectiveness of some employees for an extended period of time. Such educational support might take various forms: a short information piece that discusses the marketing process (in layman's language) and links this to the Sector, its mandate, and people's own jobs; brown bag or lunch time sessions (i.e. 1-2 hours); and marketing-related training (see below). Educational efforts should be targeted to all levels, including senior management.
- ◆ *Customized marketing training:* it was felt that "generic" training in marketing would be of limited utility. What was preferable is the development of training that linked marketing to the Sector's current reality and needs. That is, to closely tie the training to the actual requirements and product line of the Sector. In this way, employees would not have to take the generic instruction (typically geared toward the private sector) and personally modify it for application to their jobs -- a difficult task even with a basic understanding of marketing.
- ◆ *Corporate promotional materials:* this would involve creation of promotional material for use by all branches of the Sector. The purpose would be to give the Industry Sector a professional corporate "look" or image, to standardize its image among external audiences, and to support the individual marketing efforts of branches by minimizing the effort they need to expend to access a professional looking promotional package. For instance, this might take the form of a folder with a series of inserts on different marketing-related themes

that profile Sector strengths/credentials/services. The inserts would be mixed and matched on an as-needed basis. Branches would add their own material which would use the common design.

⇒ "We need help on how to market ourselves as a branch. The services we provide. Promotional material for firms to use as a reference document on our services"

- ◆ *Corporate presentation materials:* in a similar vein, the need for common, "generic" presentation materials was articulated. This would provide a base or platform upon which individual branches could build their own customized presentations (with the assistance of MPS). The common elements would again profile Sector strengths/credentials/services and enable branches to easily add their own themes. One participant also wanted MPS help to customize portions of the branch's presentation for individual audiences.
- ◆ *Writing/editing services:* this was a commonly articulated need -- for speeches, reports, SCFs and various types of written material. The need extends beyond writing to more substantial editing support: the ability to polish language and content and make the whole product look professional. Right now, branches "muddle" through relying on a mix of in-house people, outside consultants, MPS and Communications services. When MPS has been used in the past for this, the results have been unsatisfactory. A word of caution: this would likely be a very high-demand service area.
- ◆ *Market research support:* while a few participants felt they had a handle on what their clients want and need, many others do not. They would value support in this area as long as they were included in the process. Most who spoke on this issue were not comfortable with MPS researching the needs of their clients without their involvement (but seemed to think that this might happen).
- ◆ *Support for trade fairs:* given the need for branches (and their products) to be visible for clients, and the potential frequency of this type of activity, this is an area where people need support. This might include help developing materials, advice on how to approach trade fairs, assistance in setting up and operating a kiosk, etc.
- ◆ *Demand for wide range of marketing services:* most of the services identified in the discussion guide were seen to be appropriate/valuable by many people. This includes customer satisfaction measurement, support for promotional activities, planning/visioning support (e.g. creating a branch marketing strategy), client database management (keeping it green -- up-to-date -- is the key challenge), marketing advice, media/public relations (on an as-needed basis), and pricing support (although this is likely premature since little is being charged for). Some of this support requires financial resources. This

clearly will limit what a branch can do, even with MPS playing a supporting role.

- ◆ *Sector advocate*: this would involve being the advocate for the Sector with other parts of the Department and other departments. It includes positioning the Sector with others, supporting branches on key issues (e.g. quality control), and identifying/facilitating partnerships with other organizations.

Other suggestions (less frequently cited) include:

- ◆ playing a facilitating role in the area of secondments/exchanges with the private sector to support skills development of Sector personnel;
- ◆ creation of tools to measure the impact of Sector products. More than customer satisfaction measurement, the purpose would be to try to determine the bottom-line impact of such products (e.g. how industry has changed its behaviour as a result), clearly a daunting task.
- ◆ maps to get around town to meet clients.
- ◆ phone book for the Sector saying who does what.
- ◆ help "developing more effective external relationships with clients". The tighter the relationship, the more productive it was felt to be.
- ◆ common marketing for some products (e.g. business service centres) where industry can go and view products.

Numerous participants also cited the desire for MPS to provide financial support for various marketing activities (e.g. brochures, trade fairs, market research, etc.)!

Other supports needed that were not linked to MPS include: ready access to clients, more time (to sit and read, develop expertise and products), support for Department's core analytical capability, more money to meet clients (e.g. travel), tighter focus of activities (i.e. not try to do too much), and consistent priorities (i.e. not change every 6-12 months).

Internal Communications

Discussions about internal communications tended to be very straightforward compared to those involving the re-organization, the Sector's mandate or related marketing issues. The oftentimes intense emotion evident when exploring these other issues was largely absent from evaluations of internal communications.

Positive View of Internal Communications

Overall, most people offered positive views about internal communications within the Sector. In general, most felt they were well served and were fairly well informed about developments within the Sector.

In addition, most felt that internal communications have improved since the re-organization, particularly communications from above. This concerns both the quantity and quality of communications ("Communications have improved dramatically since Fall of '94. We're hearing more from senior management").

On the downside, a few felt that communications are worse and point to fewer opportunities for face-to-face exchanges with peers and supervisors.

Most Feel Relatively Well Informed

Most participants said they are fairly well informed. Not surprisingly, people tend to be most knowledgeable about what is going on in their branch, followed by the Sector and Department overall ("Within the branch, yes. Less so about other branches or sectors"). Many said they were not well informed about the work or teams of other branches.

People displayed varying levels of interest in the work of other branches or sectors. Typically, the more senior the person, the more interested he/she is in information about other groups.

Many noted that there was already a lot of internal communications (particularly e-mail) and said they had no time for more. Any new communications initiatives should therefore focus on quality, not quantity. Beware of information overload.

Better Vertical Than Horizontal Communications, But Two-Way Dialogue Missing

It was frequently noted that vertical communications within the Sector was more effective than horizontal communications. Vertical communications, however, was typically equated to mean top-down communications, as contrasted with two-way flow. While people valued the information they received from senior management, some were critical about the lack of two-way dialogue ("Management is more willing to pass on information"; "Most communications is top-down, not two-way"). It was noted that communications from management has been helpful at dispelling potentially disruptive rumours.

Within teams and branches, participants felt that communications were generally working well. However, people perceived a lack of lateral communications ("The communications process still appears to be top-down or silo-like"). It was also noted that communications between the policy and industry sectors has broken down, and that improving it should be a high priority ("It is vital that each sector know what the other is doing").

Main Source of Information -- Face-to-Face Communications, Followed by E-Mail

The main source of information for most employees was face-to-face communications, followed by e-mail. Verbal communications consisted of two main types: branch meetings or talking with co-workers and friends (i.e. informal networking).

Many commented on the usefulness of branch meetings to keep them informed about what was going on in their branch. Often held on a regular basis (i.e. once a week or every two weeks), such meetings were seen to be extremely helpful. People stressed the importance of the interactive dimension of the meetings -- the opportunity to ask questions or voice opinions. Conference calls are an important element of many meetings (to keep regions involved and up-to-speed).

Some also felt that meetings were more effective when related material was sent in advance. In this way, people would ask fewer questions about the subject (because they would have already read about it), but would be better able to have key questions answered (because they were informed), and could then move on to other matters (and therefore cover more ground).

The frequency of staff meetings varies from weekly to monthly. Not all branches hold regular meetings; some meet only on an "as needed" basis. A number of people commented on having to attend too many meetings, linking this to participation on teams.

Other sources of information seen to be useful include:

- ◇ e-mail (see below);
- ◇ teams;
- ◇ media summary: many commented favourably on this as a means of staying in touch with what is going on. However, some felt the focus was limited and should be broadened ("We don't just want things that mention the Minister's name");
- ◇ Sector-level staff meetings: while held infrequently, they were seen to be valuable. People would like to see more meetings at this level; and
- ◇ employees' managers: most felt their managers were useful at keeping them abreast of developments. One of the key strengths of this source is when managers distil the information and interpret its relevance for employees in their units.

E-Mail Useful, But Too Much "Junk Mail"

E-mail was frequently identified as the main source of information, particularly but not only in the regions. Letters from the ADM stand out as being especially useful in keeping employees informed of developments in the Sector. As well, the range or scope of information transmitted by e-mail was cited.

However, participants were virtually unanimous in feeling overwhelmed by the volume of material on e-mail. Much of this was viewed as "junk mail" ("There's too much trivia on e-mail, a lot of junk"; "Much of it is warm, fuzzy stuff"). Many said they were quick to delete information they thought was not worth their time (without reading it first).

A few people suggested that a bulletin board system be adopted, where less personal or relevant information could be posted for the perusal of staff at their convenience and determination ("Post things, so we can pick and choose what we need and want"). As well, some wanted to see the address lists cut down for ADM messages (while a small point, this clearly annoyed people). Others noted that there are too many attachments with e-mail. This made it harder to access information because of compatibility problems.

Positive View of ADM as Communicator, Most Want More

Many people commented favourably on Mr. Banigan's communications efforts. They valued Sector staff meetings and his visibility within the Sector. Some also referred positively to his participation at branch-level meetings. While his current efforts were widely acknowledged, many wanted more of the same. It was noted that Mr. Banigan has not spent much time in the regions (they'd like to see him).

Positive View of De-briefings of Senior Management Meetings

Many commented positively on the de-briefings they receive from their managers on the deliberations of senior management. Such de-briefings, provided both in face-to-face and written form, were seen to represent an important source of information on larger, Sector-wide issues. Representing as they do, the picture from the top, they were accorded importance and value ("These retreats deal with important issues").

Limited Time for "Softer" Information Sources

Many said they have little time for *Zip-Zap* or *Argus*. Some delete the former altogether, while relatively few do more than scan the pictures in *Argus* (allows them to connect faces to people they have met or heard about). People said they were simply too busy keeping up with their work responsibilities and reviewing information that they had to have. As a result, there was little time left for this type of optional or softer information. These were also seen by some to be corporate propaganda.

Many wanted more meaningful content on *Zip Zap*. They felt it was mostly "feel good stuff" and lacked substance. Suggestions included a calendar of Sector or Departmental activities, success stories from branches, or an executive summary style review of monthly economic indicators. Suggestions for *Argus* included profiling the mandate/work of different groups in the Sector, using it to showcase success stories/best practices, and making it available electronically,

Mixed Views About Opportunities for Input

Participants were divided in their views about their opportunities for input. For some, this was not a problem at all. They felt they had ample opportunity to have their views heard (primarily through staff meetings). There was a sense that managers are open to employee input at staff meetings. Others, however, felt strongly that they were not being heard. This view appeared to be more common among middle managers and regional staff.

With respect to the employee suggestion box, there was a sense that senior management does not really listen to this sort of thing. Some felt the process was too complicated. Almost no one took it seriously.

Subgroup Variations

The Word From Up High -- Feedback From Senior Managers

A series of interviews were conducted with senior managers in the Industry Sector (EX level). The views they expressed were consistent with the overall findings.

To ensure that their feedback is not buried in the overall results, we have pulled together some of the ideas articulated by these people. **While the views of this group are incorporated into the body of the report (including direct quotes), we offer the following comments to provide Industry Sector with a more direct sense of what senior executives think.** These comments were often put forward as concluding advice for the Sector on how to better meet its mandate. The comments have been vetted by the senior executives who offered them:

- ◇ "Two-way communication is needed. Right now, the 'dialogue' is top-down only. There is 'zero' going in the other direction. This is a fundamental problem in the department. We need to listen more. We spew out stuff through departmental communications, but we don't listen, we only convey information.

"We don't walk our talk. I have empathy for senior managers. There are two clients -- Canadian companies and the Minister and system. The result is schizophrenia. We don't acknowledge that the needs of each client are often very different. It breaks down between the two clients. We haven't dialogued with the SMEs. We don't listen, we dictate. Two-way flow is missing."

- ◇ "We need to fix what we deliver before promoting it. I don't think it has registered yet the depth to which the organization has sunk in the downsizing process. We have had wholesale abandonment of initiatives that took years to build. People do not realize the rebuilding challenge we face to create new services before we try to promote them.

"The real problem is getting teams to deliver quality products. Our outputs are weak. Some employees look at marketing with fear and trepidation because they know what clients think of the products. If employees are not proud of what they are doing, don't believe in the product, they can't sell it, won't sell it, don't want to sell it. And they won't succeed.

"There is huge disconnect between communications coming from the DM and the ADM. The ADM says 'go away and figure out what to do,

use the resources that are available, and produce products that you think are appropriate'. The DM seems to believe employees don't know what to do, so he tells them what products to produce. He throws ideas at employees, ideas people often think won't work."

- ◇ "When we are resource-constrained, a key challenge is meeting with enough clients. There are limitations on what can be done. What is the proxy for this? We use intermediaries sometimes, but the result is that Industry Canada tends to be invisible.

"Visibility of the Sector is important. How do we get credit with clients for the good we have done? We need to clearly show what we do on their behalf. How Industry Sector is organized to help them. We've had Banigan speak to sector associations. This sends a strong message to industry, having senior department executives attend. We need to use our senior people to get greater visibility. Use them where they can be most effective, where there are large numbers of clients, like annual meetings or board of directors meetings."

- ◇ "If contact is frequent and targeted enough, we will not be bothering industry, we will facilitate the development of products and solutions they need. It may be that they do not always need an Industry Canada product. That's fine. Their needs will surface through discussion. With close contact, we will know what's needed.

"We need to understand the problem first, then see if an information product is needed. We need to analyze and evaluate the problem, and then focus where Industry Canada can help most. We should not develop products in a vacuum. I have a sense that this is happening elsewhere in the Sector. The department has a penchant for academic pursuits. We need to temper what we do by the test of the marketplace."

- ◇ "We have to turn out practical stuff for firms to want to use it. It has to be up-to-date, really timely. What companies need to answer immediate problems. It must relate to real-world opportunities, so they can pick up the phone and do something with it that will help their bottom line.

"I don't see our information products doing that now. They're too airy-fairy. Giving them a database of OECD statistics is useless. Clients have no time to deal with this kind of information. When they see what we offer, it must be useful to them immediately, help do something for them. Otherwise, we will have lost them."

- ◇ "Clients have to see needed, useful products, and know Industry Sector produces them. The question they have is, 'what are you going to do for me?' We have to package what we do, pull it all together, and promote it in this way.

"We are putting a lot on Strategis. This might be 'nice to know' information, even 'good to know', but I'm not sure how useful it will really be."

Overall, senior executives tended to be:

- ◇ more positive about the way the re-organization was implemented (although they share the same concern about the current effectiveness of teams),
- ◇ more informed about related issues (including more aware of what they know and don't know), and
- ◇ more aware of MPS and its services.

Regions -- More Integrated With NHQ, Less Client Focused

Views expressed by regional participants were similar to those articulated by NCR staff. Nevertheless, a number of issues warrant comment.

Participants in the regions generally felt that communications between them and headquarters (NHQ) has improved since the re-organization. In particular, regions feel they are better integrated into the work of the Sector through participation on various teams. This has contributed to a greater sense of common purpose.

However, closer ties with headquarters comes at a cost. Regional staff said they feel more isolated from clients as their focus has become more internally-oriented. They had previously placed a good deal of emphasis on going out in the field to meet with companies and sector associations. Staff now have less time to do this.

Regions also feel they are virtually on their own when it comes to their marketing responsibilities. Marketing and communication support services are very limited (or non-existent) in the regions. People tend to rely on NHQ for this support. However, given the geographic issue, it is often difficult to organize things from a distance.

Telephone Interviews Have Less Intensity than Focus Groups

The views and concerns expressed by telephone participants were much the same as those voiced during the focus groups. However, there was often less emotion (i.e. frustration, cynicism) associated with telephone responses. This may largely be attributed to the effect of group dynamics in the focus groups, where participants had an opportunity to collectively express and share their frustration. We would emphasize, however, that the nature or substantive character of the views expressed were very similar.

French and English Perspectives Similar

There were no clear attitudinal differences between French and English participants. That is, no pattern of responses was discernible that could be attributed to the language of the participant.

Experience of Branches Varies Significantly

The experience of different branches varies significantly. This relates to many dimensions, including (but not limited to) the following:

- ◇ the size of the branch (which affects their ability to meet demands)
- ◇ the character of their relationship with client sector(s) (e.g. level of dialogue, effectiveness of interactions)
- ◇ the nature of the sector itself (e.g. homogeneous/heterogeneous; degree of organization, quality of representation by sector association)
- ◇ the expertise pool of the branch (e.g. experience/knowledge of sector, marketing)
- ◇ the effectiveness of the team approach, and
- ◇ experience with developing information products (e.g. some had an early start, others just beginning)

Because of these inter-branch differences, generalizations across the Sector typically do not apply to all branches in a uniform fashion.

Employee Views Lack Homogeneity, But Strong Patterns Exist

Related to the above, attitudes expressed through this consultation were ultimately mixed. This is typical in employee research, where views are rarely uniformly held. This was evident across many of the issues examined. For instance,

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- some employees clearly understand the Sector's mandate and have bought into it; others are less clear about the direction or have simply not bought into it (i.e. they do not think it will work);
- some are comfortable with their marketing responsibilities and their understanding of the marketing process; others are not. Many do not even see themselves as having marketing responsibilities;
- some think their branch is serving clients well; others think it is not;
- some have obtained client feedback for the development of new products; others have not; and
- some are easily able to cite Industry Sector comparative advantages; many others are unable to do so (or at most cite one strength).

Having said that, the attitudinal patterns or tendencies described in this report were relatively strong.

Recommendations to Support the Sector's Marketing and Communications Efforts

Taken together, the research findings underscore the need to take action on an urgent basis to support employees in meeting the Sector's mandate. Teams are generally not working effectively, people do not understand how to implement the mandate (or do not buy into it), many lack confidence in the new products and the Sector's ability to offer value to clients, there is confusion about who the client is, and a growing sense of isolation from industry clients coupled with too many demands from internal clients, and many do not understand marketing or feel unsupported in their marketing responsibilities. In short, the branches cannot be said to be operating effectively in pursuit of the mandate.

For consideration of the Industry Sector, we present below a series of recommendations to support the Sector's marketing and communications efforts. Many of the suggestions were offered directly by participants. Others are put forward by the consultant to address concerns raised through the consultation. Note that additional suggestions are presented in the section that discusses the Marketing and Promotion Services group.

Industry Sector should consider the following:

Marketing Issues

- ◆ *Heighten focus on product development:* Many people, including senior managers, felt the Sector should focus more on product development, not promotion. They perceived a need to provide better quality, more useful outputs before trying to market them to industry. A related theme was that the product development process should involve more input from clients ("We need to spend more time at the development stage and develop better products, and less time at marketing. Consult with the industry more to meet their needs"; "We should be more pre-occupied with building the quality of product for the client than on communicating this to the client").
- ◆ *Consider ways to reduce isolation from clients:* many felt increasingly isolated and out of touch with their industry clients. The Sector should explore creative ways to enable employees to be close to their clients. Visibility of the sector is also a key issue here. This might include increases in travel budgets, the targeting of key events (e.g. association annual meetings, trade fairs, etc.), more explicitly combining promotion and consultative activities, and other initiatives where expenses can be minimized and level of contact maximized.

- ◆ *Increase the effectiveness of teams:* despite widespread employee support for teams, people felt they were not yet operating effectively. There is a need to provide additional support to increase the effectiveness of teams. This might include training, coaching, and enhanced communications to enable teams to share their experiences and learn from others. It might also involve reduction in the number of teams (clearly a branch decision).
- ◆ *Address micro-economic analysis deficiency:* micro-economic analysis was seen to be a central feature of many of the Sector's products and services. It was identified as a key area where value added could be offered to clients. However, many thought the Sector's capability in this area has been significantly diminished by the re-organization, both through lower resource levels and, particularly, loss of expertise. Participants spoke of the need to support the Sector's analytic capability. This might be done through facilitating access to in-house or external consultants.
- ◆ *Scale back focus and activities:* this would involve limiting and more precisely targeting the Sector's focus and activities. The goal would be to do a smaller number of things, but to do them well. Many spoke of being over-extended, "stretched thin", "resource poor", required to do too many things. The quality of outputs was seen to be significantly affected by this ("We need to select a few things and do them well. As a branch, we are starting to do this"; "Management needs to realize that we can't give the same level of services").
- ◆ *Communicate comparative advantages to employees:* many were unable to identify the comparative advantages the Sector has going for it. There is a need to educate employees on those advantages both to bolster confidence that the Sector has value to offer clients and to enable employees to convey those core strengths to target audiences.
- ◆ *Reduce internal demands:* internally-focused demands placed on staff should be reduced. These were seen to be increasingly burdensome and impaired the ability of employees to focus on their clients. This relates both to administrative processes and, most especially, senior management-related work requests.
- ◆ *Clarify the target audience/client:* in light of the considerable confusion about who the client is, the Sector should address this through communications with employees. Messaging should stress that the ultimate, most important client is industry. At present, this is not coming across to employees.
- ◆ *Encourage idea generation:* some branches appeared to very active in the generation of new product and service ideas, others much less so. This process, however, should involve consultations or research with clients.

Greater visibility of senior management: this involves both visibility within the Sector and with external clients. With respect to the former, many people wanted to see more MBWA (Management By Walking Around) by senior managers, particularly the ADM ("We need champions"). He is clearly highly regarded and serves as a motivating force. With respect to the latter, senior managers (e.g. DM, ADM) were regarded to be the Sector's top "sales-persons" or representatives. Many felt that, as principal assets, these people should be used more often in client-focused activities. It was repeatedly noted that the Sector must have greater visibility ("See and be seen"). Additional suggestions directed at senior management include:

- ⇒ provide personal invitations to employees for the breakfast meetings. Many felt that an invitation to everyone was an invitation to no one. As such, they are not interested in attending. However, if a smaller group were specifically invited to attend, many would be very interested.
- ⇒ increase the number of Sector-wide staff meeting, say one every six months or so. These were seen to be informative and useful.
- ⇒ reduce top-down instruction on what products to develop and allow greater autonomy in product development.
- ⇒ demonstrate greater consistency in priority-setting.
- ⇒ be aware of the frustration and low level of morale among employees.
- ⇒ be aware of the significant differences across the branches.

Communications Issues

- ◆ *Hold frequent, regular staff meetings at branch level:* Face-to-face communication was seen to be most useful. This included staff meetings at the branch level. People value the interactive nature of such meetings, and found them to be more effective when briefing materials (e.g. debrief from senior management deliberations) were provided in advance (people would quickly ask any questions about the subject and then move on to other topics). In many instances (but not all), branch-level staff meetings are already taking place on a regular basis. We suggest that meetings be regularized and held once a week or every two weeks.
- ◆ *"Cleanse" E-mail system to increase effectiveness:* while most found E-mail to be an effective means of communication, there was a strong consensus that too much "junk mail" was on the system. Many were overwhelmed by the volume of material and resorted to the "delete" button quickly and often. The Sector (or Department) should consider creating a bulletin board on the E-mail system on which to post less-personally-relevant items. Criteria would need to be developed to determine which items go directly to people and which go to the bulletin board.

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- ◆ *Better lateral/horizontal communications:* lateral communications were widely perceived to be deficient. People felt they were generally unaware of what was happening in other branches and were not able to learn from the experience of those branches. This might be addressed by a new Sector-wide communications product focused on keeping employees abreast of developments in the Sector (e.g. up-coming activities, experience of teams in product development). Presentations by one branch to others might also be appropriate, either about the general work of the branch or their specific experience developing a new product (this has occurred on a limited basis). Any new communications vehicles should have a strong work focus. The purpose would be to enable employees to share work-related experiences and learn from others.

- ◆ *More motivational, vision-sharing communications:* many employees have not bought in to the Sector's mandate (providing information products) or simply do not agree with it. There is a need for communications efforts to motivate employees and encourage people to "buy in" to the new direction. This should not, however, be one-way, "propaganda-style" communications, but rather should encourage dialogue including questions about the efficacy of the new directions and ways in which it can be improved. The DM, ADM and branch managers are best placed to lead this effort. While team leaders/co-ordinators may also have a role, in many instances they are the target audience!

- ◆ *More two-way communications:* some felt there was not enough two-way communications taking place in the Sector. A related concern, articulated by a sizeable minority, was a lack of opportunity for input. This concern seems to be most salient at the middle manager level. Any efforts to improve the two-way aspect of communications would be appropriate. This would include "fixing" the suggestion box system or abandoning it. Right now, few take it seriously; most appear to believe that management decisions are not affected by such input. If the system is maintained, consideration should be given to sharing responses to suggestions on issues of wide interest with all staff.

Additional communications-related suggestions include:

- ◆ more focus on outputs/content, less on structural or re-organization issues;
- ◆ more focus on the interpretation of information for less senior staff (i.e. the implications of information for employees in specific work units);
- ◆ a Sector-wide "trade fair", where people could go and learn about the mandate/activities of other branches. This was seen to minimize effort and maximize networking opportunities; and
- ◆ 15-minute presentations from branches on their mandate/activities that could be offered to other branches as part of their staff meetings.

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