

### **Internal Communication Strategies - The Neglected Strategic Element**

Most organisations, be they public or private, understand the importance of strategic communication with customers and/or stakeholders. Hence there are marketing and communication specialists to produce communication plans for external use.

Many organisations also understand the importance of developing strategic plans to guide longer-term decision-making. The thinking is that without knowing where the organisation wants to be (and how it is going to get there), the organisation cannot coordinate organisational resources so that it gets to where it wants to go. Frequently, communication methodologies for communicating with customers and the public are included in strategic planning.

However, few organisations address INTERNAL communication in the same way. Determining what should be communicated to staff, when it should be communicated, and how it should be communicated is often left up to the decisions of individuals made when there seems to be a need. In other words internal communication strategies are developed, reactively, when there is a crisis or major event that clearly requires addressing communication issues. Where communication is planned out, it is often around upheavals like major corporate or organisation change, layoffs and downsizing, and technological change. However, once the initiating focus has been eliminated communication tends to go back to an unorganised incoherent process.

It's a bit of a mystery why this occurs, but there is no question that strategic internal communication planning can be a proactive approach to building a better, more directed and efficient workforce.

Out of 429 respondents to the *Managing Best Practice* (MBP) 100 survey on internal communication, 45% have a written communication strategy and 19% plan to have one within six months. The most effective channels for communicating with employees identified are team briefing / cascades (64%), emails (59%) and intranets (38%).

Research by Watson Hetsby with communication practitioners in 2002 found that 60% said their primary purpose was to ensure clarity of understanding of business goals and strategy; followed by motivating and engaging employees behind business strategy. Using communication to drive organisational, cultural and behaviour change is also widespread.

### **The Advantage of Strategic Internal Communication**

Some of the most successful companies and corporations create a workforce that understands the mission, goals, values and procedures of the organisation. People talk about the Hewlett-Packard "way", or the Wal-Mart "way" to describe what are essentially organisational cultures that are held in common by most employees in the organisation.

The intent of creating such cultures is not to dominate or control employees, but to "aim" them at a set of common goals on which they can act every day. This brings coherence to the workplace, and allows better coordinated action. By clearing up ambiguity in the what's, how's, and why's, the common culture permits employees to act with empowerment. When staff understands the basic values and purposes of an organisation, it gives them the opportunity to make decisions that fall within those

parameters. That means, for example, that more decisions can be made at the line level, reducing micro-managing.

Clearly, there is a need to harness all the organisation's communication resources to create such a common culture, as there are some advantages to having a coherent, shared organisational culture.

### **Advantages & Benefits**

- Permits employees to make more decisions online since they have the tools and knowledge needed to make the "right" decisions.
- Encourages a sense of identification, on the part of staff, with the goals, mission and procedures of the organisation, which can result in a sense of "making a difference". This can have direct impact on effort and efficiency.
- Has the potential for reducing day-to-day conflict. Much conflict is generated by conflicting ideas on what is important to the organisation...often an indicator that the people involved do not share a common vision or understanding.
- Helps staff feel a part of the organisation.

Organisations create a common culture through the use of very strategic, coordinated communication strategies. They use multiple methods, consistently. Their training supports their cultural goals, as does their written communication (eg. newsletters, billboards, slogans, etc). Their management communicates consistently with common messages in a number of forums (eg. performance management, department or sub-organisation meetings, award and recognition programs, etc). And perhaps most importantly, management behaviour is consistent with the messages echoed via other communication methodologies.

Simply put, in order to create a workplace that is populated by people who are working towards the same goals, and by the same rules, internal communication, in it's broadest sense, is the key to bringing that about. It won't happen unless there is a proactive attitude to communication and efforts are coordinated so they convey consistent messages.

*Research indicates that workers have three prime needs: Interesting work, recognition for doing a good job, and being let in on things that are going on in the company.*

- Zig Ziglar (Self help author)

### **An Overview of The Internal Communication Planning (ICP) Process**

First, lets agree that planning for internal communications is for a long term time period. Since the effects of communication exert themselves over an extended period, there is the need to look at an approach that will extend over years.

As such, before starting the ICP process, what needs to be clear is the kind of workplace that is being attempted to create and the values, principles and procedures that need to be in place so that the visioned workplace comes about. So, clearly the starting point of strategic planning is to define and decide on the kind of organisation desired.

Next, there is the need to consider a very broad approach to communication. Often, even organisations that address internal communication fail because they understand the organisation communication process as a limited process--one that includes only what is normally considered as communication methods. For example, a vision

statement, or statement of principles, is plastered all over the organisation, without considering that the behaviour of managers, and the decisions that are made in the organisation are the "real communication tools". What results is a situation where the "formal" communications say one thing to staff, while decision-making and actions send a conflicting message. It is almost better to do nothing at all, since an inconsistent, non-comprehensive approach to communication breeds resentment and cynicism.

So, the key elements of ICP are:

- Long-term focus
- Clear values, goals
- Comprehensive, pervasive methods
- Consistent messages

### **Outline of ICP Steps**

The details of how to plan for internal communication to create a coherent culture will vary depending on a number of factors, one of the most important being the size/level of the organisation. In a small organisation, a branch manager/director may draft an internal communication strategy by him/herself, particularly if the elements of communication in the organisation are under his/her control. Or, the manager can consult with staff regarding the kinds of information staff feel they need.

In larger organisations, internal communication strategies need to include many more players (eg. senior executives, managers, HR people, etc).

However a general process can be described as follows:

#### **1. Identify the common culture needed/wanted**

Make the distinction between what is needed and what is wanted because the organisation culture should somehow enable the organisation to better achieve the goals, role and mission it has designated for itself. The parallel here is to the visioning process that occurs in strategic planning, except it answers the question: "What values, principles, procedures and behaviours must the organisation create so that it can achieve its mission?" In practical terms, this step can result in a set of goals.

#### **2. Identify the available communication tools**

Considering internal communication in a broad sense, there is a need to identify the means by which an organisation can affect corporate culture in the direction it wants to go. Below are some examples of communication tools to consider, but there may be others.

- Paper-based: Memos (internal correspondence), newsletter, brochures, performance appraisal documents, slogans, pay packet enclosures, etc.
- Executive/Manager Oral: General meetings, division and branch meetings, team addresses, one-on-one (face to face) manager to staff communication.
- Electronic: E-mail, web sites and intranets
- Management behaviour: Any and all management/executive behaviour that sends messages, either intentionally or unintentionally about the values, principles, purposes of the organisation.

- Staff To Management Forums: surveys, other forums such as staff meetings, individual meetings etc. (yes, getting information from staff also sends messages!)
- Policies & Procedures: Policies and procedures need to reinforce and be consistent with the messages being sent by other "channels".
- Training: Training and learning settings are often used to teach specific skills and values (eg. customer service).

### **3. Determine what tools are suited to which goals**

There is a need to match the tools an organisation has at its disposal to the identified goals. Some tools are best suited to certain types of goals and not to others.

### **4. Develop a description of how each tool will be used**

People "in charge" of the communication tools need to know both generally and specifically how their tool fits into the larger context. For example, managers need to understand the tone and approach to writing internal memos that will be consistent with the "internal communication" goals matched to that tool. Or more obviously, a corporate newsletter editor must be aware of the primary values, and information that needs to be conveyed to staff so the newsletter supports the creation of the desired culture.

### **5. Plan for remediation**

Since the ICP process is comprehensive, it may end up asking people in the organisation to behave and communicate differently. That may mean it will need to help people develop the skills needed to fulfil these new expectations. For example, a manager might need to learn how to rephrase memos, or conduct cooperative performance appraisals so they are consistent with the desired culture.

### **6. Plan For Implementation**

At this point the organisation should know what it needs to communicate, how it is going to do it, etc. Communication experts may want to flesh this out a bit by determining who will do what, and when it will be done. Let's remember that this is NOT a project, but an ongoing process....

(Note: In both strategic planning and internal communication planning, we often need to "cascade" from the top of the organisation down).

### **7. Implement**

### **8. Continuously Monitor and Revise**

Over time, new communication tools may become more obvious, or some tools may be found to be ineffective. So consistent with a continuous improvement approach there is the need to assess the effects of what is being done, and "re-steer" as needed. Some organisations use annual surveys to assess whether progress is being made, and solicit additional ideas.

### **Conclusion**

The development of a strategic internal communication strategy, and its implementation can provide a number of benefits to organisations. To achieve those

benefits there is a need for a coordinated, comprehensive, long term communication approach.

***Microsoft** UK's stated objective for internal communication stresses the need for sharing information so 'we can speak together, with one voice'. All employees are responsible for ensuring information is of consistent quality and integrity. Employees are seen as ambassadors who should be able to answer product questions*

***Royal & SunAlliance** used communication to support a worldwide cultural change programme. The company used lateral communication and sharing of stories via media including radio, TV video magazine, intranet and a journal*

### **COORDINATION OF EXTERNAL AND INTERNAL COMMUNICATIONS HELPS BOTH IN THE END**

There is a growing awareness within companies of the need to do a better job of coordinating external and internal communications as of late. While this may seem like an obvious thing to some, there have been many cases where companies do a poor job at this. Here are some things to keep in mind if one is trying to make the case for better coordination:

**External media coverage should never be used as a substitute to effective internal communications.** Companies cannot rely on employees reading things in newspapers or seeing them on TV, as it diminishes trust between management and employees and catches employees off guard. Organisations must do their best to ensure that employees hear about it from the company first. In cases of privately held companies not subject to fair disclosure regulations, it is often appropriate to communicate with employees hours or even a day before a major external announcement. Especially when news is big, companies are advised to prepare managers and supervisors with talking points and give them the chance to ask questions and ensure they understand what's happening so they can adequately answer employee questions.

**External and internal communications strategies must be developed and executed in tandem.** It is best for organisations to regularly coordinate and plan internal and external communications strategies to ensure maximum benefit of each. Especially in larger organisations, this is often easier said than done. One strategy that often helps are weekly discussions of upcoming announcements or issues that may surface to ensure the appropriate employee communications can be ready to go if and when needed. It is usually not sufficient to simply email or post an external press release to employees; rather the information contained in the release should be rewritten in language appropriate to the internal culture and should be supplemented with additional information that might not be relevant detail to outside audiences.

**Strategic seeding of letters to the editor, op-eds or feature stories can reinforce internal strategy.** When organisations are trying to make certain points or explain changes in strategy via internal communications, the information is also often of interest to external stakeholders. Points of view on industry issues or how the organisation is responding to a market dynamic can make for interesting op-eds or feature stories if a good relationship with the journalist is already present. Letters

to the editor (usually from the CEO or chairman) to address negative coverage or correct misleading coverage can make employees feel like they are being stood up for.

**Companies should share significant media coverage with employees, whether it's positive or negative.** Whether it's postings on bulletin boards, electronic distribution of scanned clips or summaries of major media coverage, companies should share what the outside world is saying about them on a regular basis. Especially in cases of negative coverage, companies have the opportunity to provide a different viewpoint and help employees respond to informal inquiries from family and friends who may ask about negative coverage. Organisations reluctant to share negative coverage often forget that employees will see it anyway and that they can use that opportunity to build increased credibility with employees by showing they are committed to talking about both the good and the bad.

**Effective internal communications strategies can have positive impact on external media coverage, especially during times of bad news.** Although companies typically try to prohibit employees from talking to the media, it often happens. Especially during times of layoffs, restructurings or scandals, the news media is likely to ambush employees and ask their opinion about what's happening. Experience has shown time and time again that when companies do a good job explaining current events to employees and give them ample opportunity to engage in conversation about it, media coverage of ambushed employees is more balanced and positive and is characterised by comments such as "Although I didn't like the news I heard, the company was respectful and honest in how they communicated it to us and helped us understand what the person impact would be on me."

#### **THE CHANGING NATURE OF EMPLOYEE COMMUNICATIONS**

Employees of organisations large and small are constantly inundated with information and opinions about the company for which they work. When forming their own opinions about their employer, employees are increasingly acting more like traditional consumers – they turn to multiple sources to validate or refute a certain point of view.

In the old employee communications paradigm, corporate communications departments relied on top-down approaches to reach their employees. In the new, relationship-based paradigm, employees “ping” sources both inside and outside their organisation for information. These sources include messages from a CEO, a direct supervisor, a company advertisement in the newspaper, a neighbour’s comment about the company, a union steward’s opinion, a stock analyst’s report, or publicity around a corporate sponsorship.

In order for a company to successfully influence the attitudes and behaviour of its employees, internally focused communications programmes must treat employees as consumers and rely on a multitude of sources that employees deem credible. They must also be highly integrated with externally focused efforts so employees who seek perspectives about the company from outside sources are greeted with consistent information.

#### Emerging Trends in This New Communications Paradigm

Edelman PR surveyed communications professionals across North America to learn more about the variety of information channels that companies use to communicate to their employees, as well as to discover how organisations are handling emerging electronic forms of communications like blogs, wiki and instant messaging.

The overall survey findings show:

- Communicators are relatively unfamiliar with newer tools such as blogs and wiki, but see their potential.
- "Blogging" by senior management is still quite uncommon.
- Intranet message boards are rare, but when they exist, they are frequently monitored by corporate gatekeepers.
- Employees without computer access are increasingly losing their 'voice' in an environment that relies more and more on electronic forms of communication.
- Intranet investments remain strong as companies continue to convert sites to portal technology and add streaming video capability.
- The use of instant messaging at the workplace is on the rise, yet few companies have formal policies to monitor it.

### **INTRANETS FOR EMPLOYEE COMMUNICATIONS**

It used to be that when companies grew much larger than they began, corporate evolution meant an increase in office space, inclusion of ID badges into the corporate culture and holiday parties were moved from the CEO's house to a restaurant or hotel ballroom (while the founding employees grumbled to themselves that things just aren't the same anymore).

But the growing pains don't stop there.

Companies experiencing growth tend to have a longer rumour shelf-life (more people to gossip, more people to listen), added confusion about corporate process, increased strain on human resource and benefit support as well as increases in paper usage and waste. Some may wonder the benefits of growth at all!

More and more, companies have been turning to Intranets to solve particular problems associated with growth. Regardless of the speed in which your company's growth occurs, Intranets can create a two-way communication vehicle between employee groups, centralise sensitive information, support or help create a corporate culture and reduce costs.

### **Two-Way Communications**

Few companies are equipped with a CEO or president who walks around and talks directly to employees. An Intranet can allow employees to communicate directly to administrators by name or anonymously. Consider using an Intranet to reduce the number of expensive company meetings looking for feedback on company changes. Use it to disseminate ideas, address rumours and receive comments from concerned or supportive employees.

### **Centralise Sensitive Information**

Your company can keep an online repository of company meeting notes, crisis communication plans, product/service pricing, billing rates and other sensitive information your clients and the general public should not see. Intranets also help reduce the amount of searching on crowded public folders for career and benefit information.

### **Creating a Corporate Culture**

Intranets should be fun and functional. A major utility company used their Intranet to bridge the gap between two corporate cultures after a lengthy merger. They blended the two by including the new company's weekly bowling scores on their Intranet to encourage after-work camaraderie. Eventually, both the old and new companies were posting scores and stimulating healthy competition.

## **Reduce Costs**

Instead of printing hundreds of health benefit packages per year, consider the amount of printing, paper and human resources to be saved by posting files on a corporate Intranet. Users can download the information to their desktops and easily replace outdated documents with new ones. Companies have moved from Excel-based timesheets to a paperless Intranet process saving many of our natural resources each year.

### Few examples of how some companies are using Intranets:

In 1999, General Electric revamped its Intranet and saw the number of hits increase from a couple of thousand to 10 million a week. GE employees can design their own Web pages within the company Intranet, and then customise them with features such as checking the weather or industry related news. The system also allows employees to download tax forms and review benefit information. An online marketplace is available with discounts on GE appliances and other products and services.

At Texas Instruments, employees can select doctors from a health plan from the corporate Intranet. Leisure items such as concierge services that will plan vacations and run errands also are offered to employees. Intranet access is given to new hires prior to their first day of work as a way to introduce Texas Instrument's corporate culture.

HBO posts its cafeteria menu, community events, classified ads, Girl Scout cookie sales and a service for finding a roommate.

There is no denying the potential an Intranet can afford organisations experiencing growth. Intranets have caught on because, when designed correctly, they work beautifully.



## **BLOGS AS EFFECTIVE COMMUNICATION TOOLS**

### ***CEOs Say Blogs Are Useful***

*According to a study conducted by PRWeek and Burson-Masteller, a growing number of American chief executives rate blogs high as employee communication tools, though a majority of them remain skeptical about starting their own. About 59 per cent of CEOs surveyed said they find Web logs, or blogs, useful for internal communications, while 47 per cent see them as tools for communication with external audiences. The survey indicates that chief executives see blogs as useful for communicating new ideas and news, providing an informal channel of communication and getting instant feedback.*

Google uses its own blogging product, blogger.com ([www.blogger.com](http://www.blogger.com)) to create and manage several hundred internal blogs. Many are used for project collaboration, while others are used for social interaction at work, such as selling extra concert tickets or finding partners for after-work sports activities. Some of the blogs spill over into the public domain, such as blogs for the public relations, quality control and advertising departments. Google is also using these blogs for another unique reason: it helps the company document its rapidly evolving organisational history.

Sun Microsystems has created a master blog for employee musings that also serves as an internal knowledge management tool ([www.blogs.sun.com/roller/opensolaris.do](http://www.blogs.sun.com/roller/opensolaris.do)). While the general site is publicly accessible, certain sections of the site and certain blogs dealing with product development require login as a Sun employee. Sun is also well-known for the blog of its President and COO, Jonathan Schwartz ([blogs.sun.com/roller/page/jonathan](http://blogs.sun.com/roller/page/jonathan)), who blogs on a weekly basis on a variety of topics facing his company's industry and the company itself. His topics also serve to educate employees about those issues, one excellent example being a post explaining why a recent acquisition made sense for Sun.

### **PODCASTS FOR EMPLOYEE COMMUNICATIONS**

Hearing the voice of a CEO, or a subject-matter expert, or the sales director adds a human and informal touch to what's too often the starched formality of organisational communication. This can be a powerful emotional influencer on internal and external audiences alike. And emotional influence is a key factor in employee engagement. Some of the possibilities could be as follows:

**Employee Engagement:** A weekly 15-minute business update for employees delivered by the CEO or president; employees worldwide subscribe to the podcast via the company intranet or directly from the CEO's blog.

**General news of interest to everyone:** The HR department produces a monthly 30-minute podcast that is a round-up of news and information on issues of interest and relevance to every employee including, for example, news about changes in employee health benefits, updates on training courses, expansion at the factory in a particular city, and a summary of company-wide job openings and where to get more information; the podcast is made available for subscription from the HR site on the company intranet and is referenced in the internal company magazine or newsletter.

**Training and Education:** A series of short 5-minute podcasts produced by the marketing department on key aspects about a new product that's being launched, to help employees understand the features and benefits of that new product; the podcast series supports and complements other communication channels. Depending on communication objectives and specific content, the series could also be used in external communication.

**Skills-Sharing and Team Building:** The sales director records an occasional 10-minute podcast for the geographically-dispersed sales team with tips and tricks on, say, how to close deals with certain types of customers; this podcast is available from the sales intranet as a complement to formal sales materials and as one of the means through which the sales director builds a sense of community and engagement with the team.

### **CALCULATING RETURN-ON-INVESTMENT FOR EMPLOYEE COMMUNICATIONS**

Today, communication professionals are increasingly challenged to justify budgets and prove a direct impact on the bottom line. In response, researchers are beginning to demonstrate a link between effective employee communications and improved performance that can lend outside credibility to communications planning. Here are some compelling findings related to employee communications and engagement:

Hay Group: It found that Fortune's "Most Admired Companies" increased stock appreciation 50 percent over their peers after instituting stronger employee communications programmes.

Corporate Executive Board: In its 2004 study "Driving Performance and Retention Through Employee Engagement", increased levels of engagement were found. A 57 per cent increase in discretionary effort and up to an 87 per cent reduction in desire to leave an organisation was the resultant effect.

McKinsey & Co.: In a 2003 study, McKinsey found that 67 per cent of consumer goods sales are based on word of mouth, suggesting the major role that employees can play in driving sales of products or services among their social and family circles.

Watson Wyatt: In a 2004 study, it found companies that communicate more effectively with their employees have a lower turnover rate (on average 33.3 per cent) than companies that communicate less effectively (where average turnover is 51.6 per cent).

Another study by this firm determined that companies with the most effective employee communications programmes had an average total shareholder return of 29.5 per cent while those with least effective programmes had a negative 15 per cent return. Of that total 29.5 per cent increase, 7.3 per cent was attributed to improving supervisory and managerial behavior related to communications, 5 per cent was attributed to instituting and following a formal communications process and 4.8 per cent was attributed to creating a "line of sight" between business objectives and employees' jobs (the remaining 12.4 per cent was attributed to a variety of other factors).

MORI: In a 2004 study, Market & Opinion Research International (MORI) quantified the role that employees play in corporate social responsibility (CSR) programmes. The study found that 73 per cent of people are more likely to believe the word of an employee rather than a company brochure or report about that company's contribution to society and the environment.

Mercer: In a 2002 study across the United States and United Kingdom, Mercer found that when senior management communicates a clear vision of the future direction of the organisation, only 16 per cent of employees think seriously about leaving and only 7 per cent of those surveyed are dissatisfied with the organisation. However, when senior management does not communicate a clear vision of the future direction of the organisation, 40 per cent of employees surveyed said they are seriously thinking about leaving the organisation and 39 per cent said they are dissatisfied with the organisation.

Employees play a significant role in shaping corporate reputation, as established by Edelman's 2005 Trust Barometer study. While the credibility of information conveyed by a CEO remains low, the credibility of "a person like yourself" continues to increase in both the United States and Europe, and is the most credible source of information in Brazil and Germany. Beyond communicating with friends and family, employees play an increasingly visible role in telling a company's story, promoting its brand and, ultimately, influencing key stakeholders both internally and externally.

Though CEOs must continue to lead the dialogue with key stakeholders, employees are increasingly looked upon to further validate this discourse and the company's messages by a margin of more than two to one.

Not only is it important to use data from these existing studies to build the business case for employee communications, but the programming implemented must also contain strong links to your own organisation's business priorities. Start with the company's strategic plan and assess the role that employee communications plays in achieving those objectives. Look in particular for business priorities that require employees to think and behave differently - those are the best opportunities for internal communicators to make a difference that creates business impact.

*(Excerpted from the workbook of PR Pundit's workshop, held in Bangalore on July 20, 2006)*