Research Brief Series

Internal Communication
STATE | TRENDS | PRACTICE

Global Research Report

The Next Level
The Business Value of Good Internal Communication

September 2019

IC
Kollectif

The report <u>The Next Level</u> produced by IC Kollectif, examines the value and practice of internal communication (IC) from many angles around one central theme: the business value of good internal communication. This publication is part of a series on topics and issues addressed in the 164-page global report. Following are two commanding research projects conducted in Europe and in the USA. The first examines the status and trends in internal communication in European companies. The second is a two-part research identifying best-in-class practices for employee communication and the gap between the knowledge of what best-in-class global communication leaders reported is effective and what the majority of IC professionals reported to be practising. The full report is available at ickollectif.com/report.

Internal Communication in Europe

Current Status and Trends in Internal Communication in European Companies

In today's constantly changing economic and social environment with technology innovation playing a central role, internal communication becomes an important source of competitive advantage for companies. International research in this field confirms and highlights how a well-managed IC system becomes a major tool to implement organizational change successfully. The ability and willingness of a company's top management team to invest in an effective IC system represent a key element of success.

In 2017, the Italian Association for the Development of Internal Communications (ASCAI) launched a pan-European research project to establish the status and trends of internal communication across Europe. The initiative was undertaken under the patronage of the European Association for Internal Communication (FEIEA) that brings together IC Associations from European Countries.

Entrusted to Università Cattolica in Milan, Italy, the research project[1] was led by Professor Roberto Nelli. The survey was conducted in 12 European countries where internal communication professionals from 448 companies, representing all the companies with at least 500 employees, were surveyed. Here are some of the key findings of the research.

"The majority of respondents are convinced that IC will gain greater importance in the next three years, an assumption confirmed by the actual increase of financial and human resources dedicated to IC for more than 80% of respondents. The main focus will be to deal with digital evolution while coping with increasing speed and the volume of information flow. This finding is in a context where IC will have to be linked more and more with business strategies to support the decision-making process."

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[1] <u>Full report</u> can be found in Nelli, R. (2018). *Internal Communication in Europe. Key success factors and managerial approaches*. Milan: Vita e *Pensiero. The publication is the result of the research project "European Internal Communications" of the Università Cattolica del Sacro Cuore, promoted, coordinated and financed by ASCAI, with the high patronage of FEIEA (European Association for Internal Communication).*
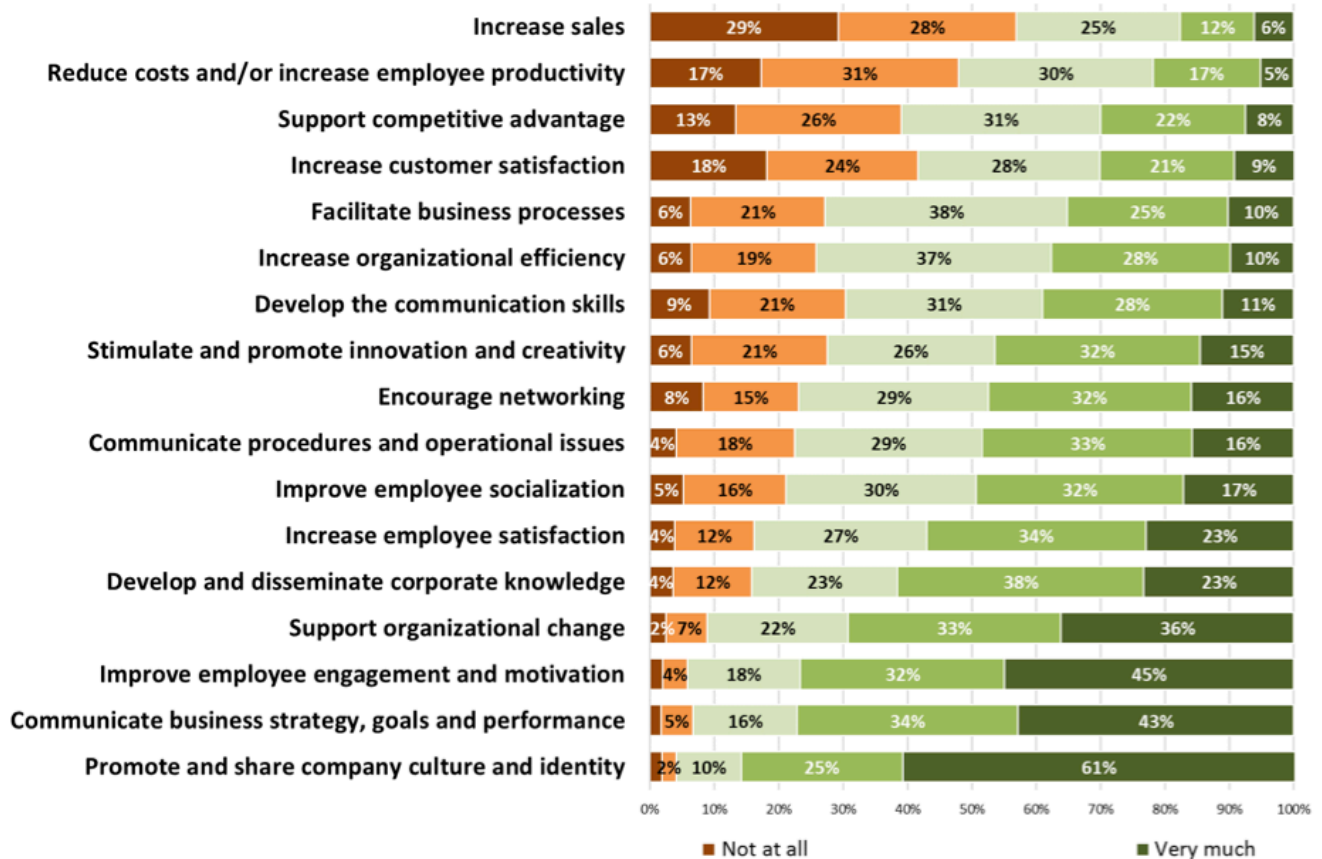
Objectives of an internal communication system

Based on the research and as shown in Chart 13 below, internal communication professionals still consider IC is as a tool to socialize "soft" business goals such as promoting and sharing a company culture and identity (86% of positive responses), communicating business strategy, goals and performance (77%), improving employee engagement/motivation (77%) and supporting organizational change (69%). On the contrary, IC is less frequently perceived as an enabler of more "robust" business goals such as increasing sales (only 18% of positive responses), reducing costs and/or increasing employee productivity (22%), increasing customer satisfaction (30%), or strengthening of competitive advantage (30%).

It may be interesting to note that in 30.6% of the respondent companies the department responsible for defining IC goals and objectives is the Corporate Communications department, followed at a distance by the CEO (18.1%), and by Human Resources departments (14.3%).

In particular, the research highlighted a significant difference in relation to the objectives pursued by IC, depending on whether there was a dedicated IC or not. This hints that the existence of a dedicated department is essential to identify communications issues and adequate initiatives to address them.

Chart 13 - In your organization, to what extent does IC support the following objectives?

Objective	Not at all				Very much
Increase sales	29%	28%	25%	12%	6%
Reduce costs and/or increase employee productivity	17%	31%	30%	17%	5%
Support competitive advantage	13%	26%	31%	22%	8%
Increase customer satisfaction	18%	24%	28%	21%	9%
Facilitate business processes	6%	21%	38%	25%	10%
Increase organizational efficiency	6%	19%	37%	28%	10%
Develop the communication skills	9%	21%	31%	28%	11%
Stimulate and promote innovation and creativity	6%	21%	26%	32%	15%
Encourage networking	8%	15%	29%	32%	16%
Communicate procedures and operational issues	4%	18%	29%	33%	16%
Improve employee socialization	5%	16%	30%	32%	17%
Increase employee satisfaction	4%	12%	27%	34%	23%
Develop and disseminate corporate knowledge	4%	12%	23%	38%	23%
Support organizational change	2%	7%	22%	33%	36%
Improve employee engagement and motivation	4%	18%	32%	45%	
Communicate business strategy, goals and performance	5%	16%	34%	43%	
Promote and share company culture and identity	2%	10%	25%	61%	

Source: *Internal Communication in Europe* 2018

As shown (Table 2), four factors were identified as the main drivers of IC objectives. They are Competitiveness, Socialization and Networking, Corporate Identity, and Operations and Processes.

The factor represented by **Competitiveness** encompasses objectives aimed at supporting the economic performance of a company in the marketplace an (increase of sales and increase of customer satisfaction), initiatives aimed to reduce costs and/or increase employee productivity and, more generally, all of those activities aimed at supporting competitive advantage.

The factor represented by **Socialization and Networking** includes those objectives aimed at developing and disseminating corporate knowledge and stimulating innovation and creativity through the growth of employee socialization and the strengthening of networking, thus ultimately contributing to an increase of employee satisfaction.

The factor represented by **Corporate Identity** brings together those objectives that are typical of IC, consisting of communicating business strategy, goals and performance, and promoting and sharing company culture and identity for the purpose of improving employee engagement and motivation and supporting organizational change.

The factor represented by **Operations and Processes** pools together those objectives concerning the simplification of business processes and increasing organizational efficiency through communication of procedures and operational issues.

Table 2 - Factors representing the underlying dimensions of IC objectives system

Factors and variables

Competitiveness

Increase sales

Increase customer satisfaction

Reduce costs and/or increase employee productivity

Support competitive advantage

Socialization & Networking

Increase employee socialization

Encourage networking

Develop the communication skills of the organization's participants

Stimulate and promote innovation and creativity

Increase employee satisfaction

Develop and disseminate corporate knowledge

Corporate Identity

Communicate business strategy, goals and performance

Promote and share company culture and identity

Improve employee engagement and motivation

Support organizational change

Operations & Processes

Facilitate business processes

Communicate procedures and operational issues

Increase organizational efficiency

Extraction method: Principal component analysis
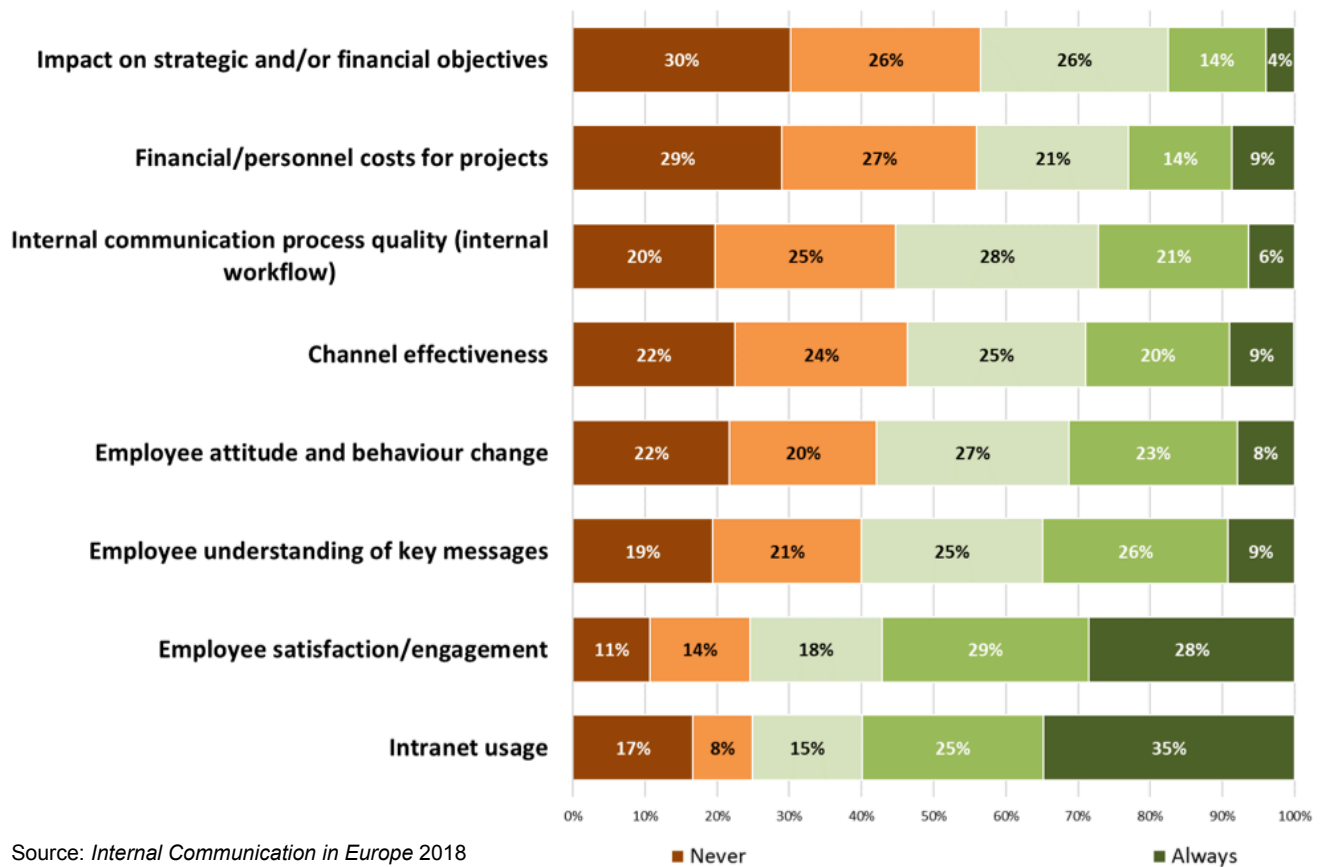Rotation method: Varimax with Kaiser normalization

Source: Internal Communication in Europe 2018

Internal communication assessment

Not surprisingly, the research highlighted that assessing IC effectiveness is possibly the most critical, yet complex activity. Indeed, only a little more than one-third of companies regularly monitor or assess communication efforts, mainly focusing on quantitative measurements rather than qualitative measurements.

As captured in the chart 17 on the next page, respondents mainly measure intranet usage (60%) and employee satisfaction/engagement (57%), followed at a distance by employee understanding of key messages (35%) and employee attitude and behaviour change (31%).

Chart 17 - Which items are monitored or measured to assess IC effectiveness?

	Never				Always
Impact on strategic and/or financial objectives	30%	26%	26%	14%	4%
Financial/personnel costs for projects	29%	27%	21%	14%	9%
Internal communication process quality (internal workflow)	20%	25%	28%	21%	6%
Channel effectiveness	22%	24%	25%	20%	9%
Employee attitude and behaviour change	22%	20%	27%	23%	8%
Employee understanding of key messages	19%	21%	25%	26%	9%
Employee satisfaction/engagement	11%	14%	18%	29%	28%
Intranet usage	17%	8%	15%	25%	35%

Source: *Internal Communication in Europe* 2018

The impact on strategic and/or financial objectives (56%), the financial/personnel costs for projects (56%), channel effectiveness (46%), and the quality of internal communication processes (45%) are rarely or never monitored or measured.

The items that are monitored or measured were analysed in accordance with the DPRG/ICV[2], a framework that conceptualizes evaluation and measurement activities in four groups:

Input: This stage corresponds to the resources employed, including staff and other costs of communication.

Output: This stage consists of both process efficiency and range and variety of content/messages available to employees across a variety of channels.

Outcome: This stage measures the impact on employees such as awareness, understanding of key messages, commitment, change in attitudes, and behavioural dispositions or actions of employees.

Outflow: This stage refers to organizational goals achieved as a consequence of communication processes, such as strategic and/or financial objectives or corporate performance.

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[2] The theoretical framework was developed by academics, management accountants, and communication associations in Germany (DPRG/ICV, 2011; Watson & Noble, 2014, pp. 170-181; Zerfass et al., 2017), also adopted by the "European Communication Monitor".

Overall, little attention is paid to the monitoring of internal communication processes from their start (INPUT) through their potential economic impact (OUTFLOW) (Chart 18).

Once again, the analysis revealed that assessment of IC effectiveness is significantly more frequent where a dedicated IC department exists.

**Chart 18 - Which items are monitored or measured to assess IC effectiveness?
(average values)**
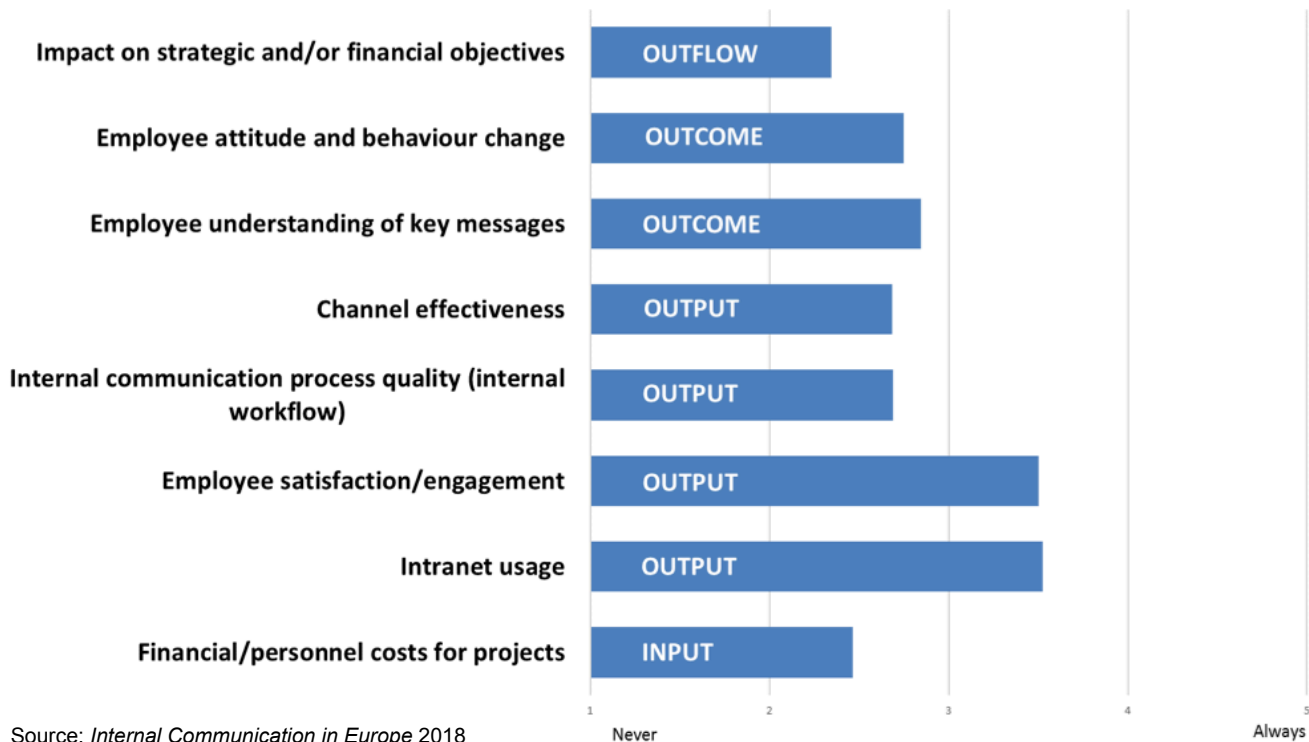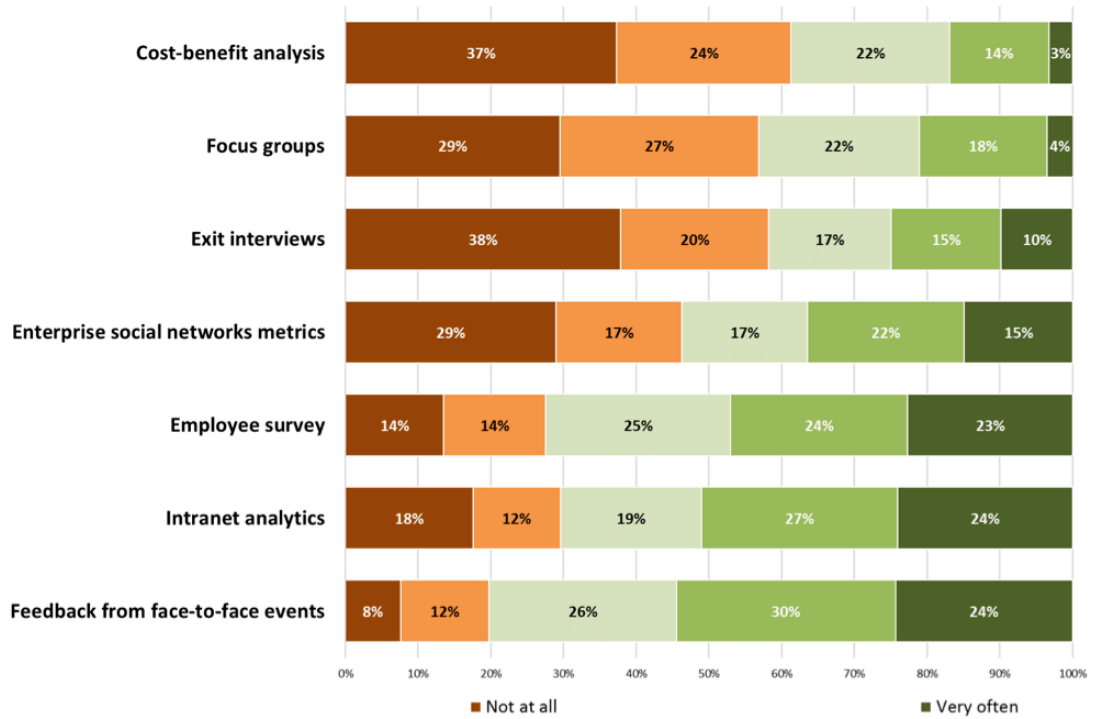

Source: *Internal Communication in Europe* 2018

Regarding the methods for assessing IC effectiveness (Chart 20 on the next page), particular emphasis was placed on feedback from face-to-face events (54%), intranet analytics (51%), and employee surveys (47%). Again, more "robust" methods such as cost-benefit analysis (61%), exit interviews (58%), focus groups (56%), and enterprise social networks metrics (36%) are rarely or never used.

When asked about the main barriers for properly measuring the effectiveness of IC, the majority of respondents indicate the lack of adequate tools and effective methodological approaches as the main hindering factors (Chart 22 on the next page). Surprisingly, the shortfall of adequate financial resources is not considered as the main barrier.
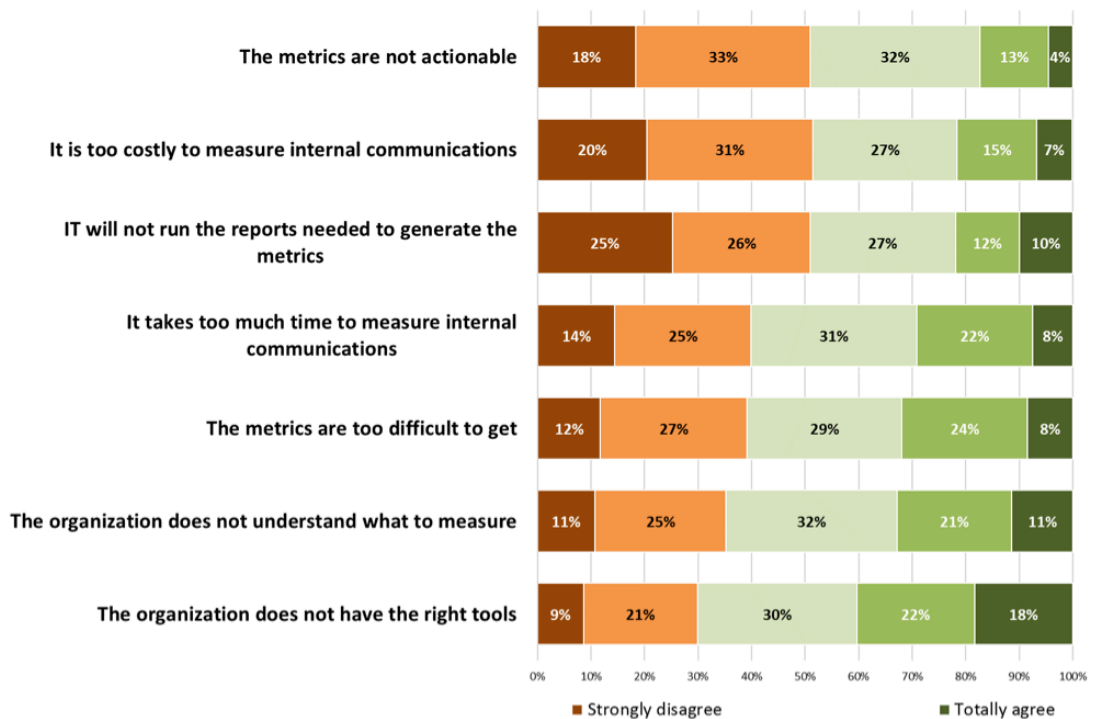
With regard to employees' structured listening, such as ad-hoc surveys and regular feedback collection, only 36.2% of respondent companies regularly hold listening activities. From among these companies, 63.9% regularly carry out internal climate surveys, 56.3% use quick online polls to get feedback on single initiatives, projects and issues, and 53.2% use a mailbox for suggestions and proposals by colleagues. Feedback on top management statements is used quite regularly, followed by tools such as focus groups, panels of colleagues, and finally, online voting systems.

Chart 20 - How often are the following methods currently used to assess IC?

	Not at all				Very often
Cost-benefit analysis	37%	24%	22%	14%	3%
Focus groups	29%	27%	22%	18%	4%
Exit interviews	38%	20%	17%	15%	10%
Enterprise social networks metrics	29%	17%	17%	22%	15%
Employee survey	14%	14%	25%	24%	23%
Intranet analytics	18%	12%	19%	27%	24%
Feedback from face-to-face events	8%	12%	26%	30%	24%

■ Not at all   ■ Very often

Source: *Internal Communication in Europe* 2018

Chart 22 - To what extent do you agree with each of the following statements concerning the barriers affecting the effective measurement of IC?

	Strongly disagree				Totally agree
The metrics are not actionable	18%	33%	32%	13%	4%
It is too costly to measure internal communications	20%	31%	27%	15%	7%
IT will not run the reports needed to generate the metrics	25%	26%	27%	12%	10%
It takes too much time to measure internal communications	14%	25%	31%	22%	8%
The metrics are too difficult to get	12%	27%	29%	24%	8%
The organization does not understand what to measure	11%	25%	32%	21%	11%
The organization does not have the right tools	9%	21%	30%	22%	18%

■ Strongly disagree   ■ Totally agree

Source: *Internal Communication in Europe* 2018

Effectiveness of internal communication strategy

Notwithstanding the difficulty in assessing IC effectiveness, a large majority of respondents state that IC generally supports the strategic goals of the organization and only 15.7% of them believe that it does not (Chart 24). While respondents have a mixed perception about the importance of the role that IC plays in the overall performance of the organization (Chart 26), almost 40% of them declare that their IC strategy is effective or extremely effective at helping achieve key business goals (Chart 27) and only 15% consider it ineffective.

The analysis revealed positive correlations between the perceived effectiveness of the IC strategy and:

- the importance of the role of IC in the overall performance of the organization

- the belief that the organization invests enough in IC: respondents most satisfied with the level of investment, believe that IC is more effective to help their organization achieve business goals

- the perception of the level of integration between internal and external communication (some 70% of respondents that perceived the IC strategy as effective and think that internal and external communications are integrated) (Chart 30).

Charts 24, 26, 27, 30
Source: *Internal Communication in Europe* 2018

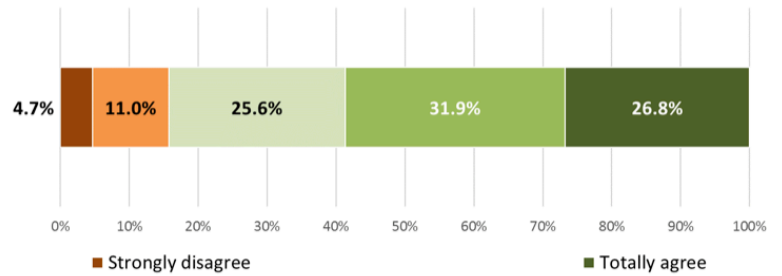### Chart 24 - IC supports the strategic goals of the organization

| 4.7% | 11.0% | 25.6% | 31.9% | 26.8% |

■ Strongly disagree   ■ Totally agree

Chart 26 - IC plays an important role in the overall performance of the organization
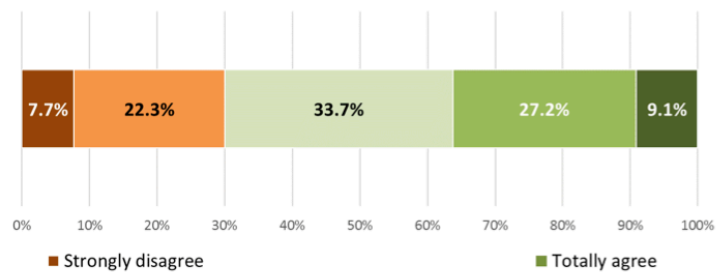
| 7.7% | 22.3% | 33.7% | 27.2% | 9.1% |

■ Strongly disagree   ■ Totally agree

Chart 27 - How effective is your IC strategy at helping your organization achieve its current business goals?

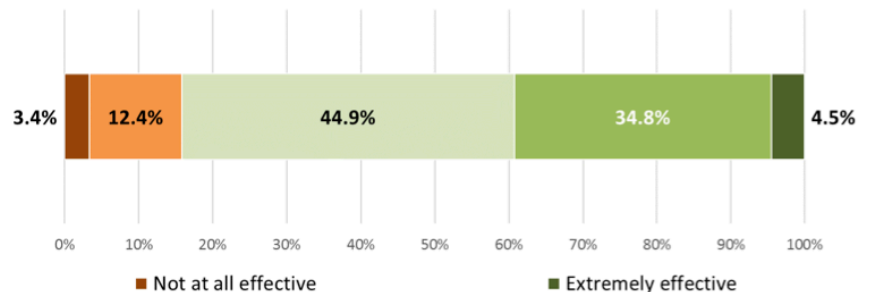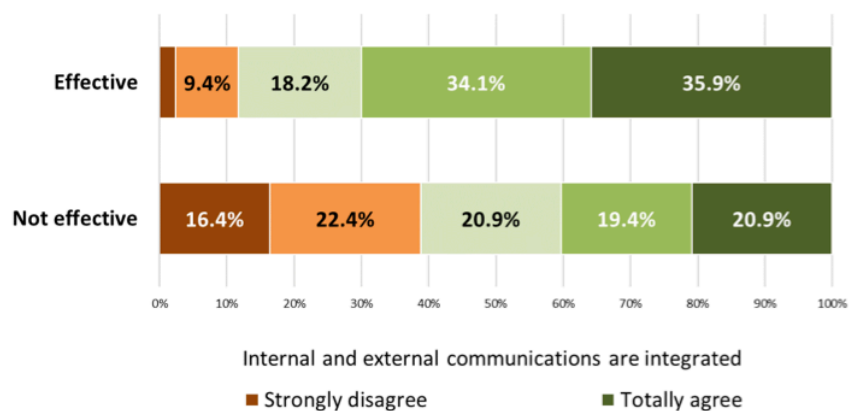| 3.4% | 12.4% | 44.9% | 34.8% | 4.5% |

■ Not at all effective   ■ Extremely effective

Chart 30 - How effective is your IC strategy at helping your organization achieve its current business goals?

Effective | 9.4% | 18.2% | 34.1% | 35.9% |

Not effective | 16.4% | 22.4% | 20.9% | 19.4% | 20.9% |

Internal and external communications are integrated

■ Strongly disagree   ■ Totally agree

# The contribution of IC to organizational objectives and management decisions

The research deepened understanding of the role enacted by internal communication in respondent companies based on two key aspects that encompass five variables:

- the level of support provided by IC senior management and other corporate departments both for the development of their communication skill, and in terms of communication consultancy for performing their activities (*"Supporting business goals by managing Internal Communication"*)
- the level of engagement of the head of internal communication in outlining strategic corporate decisions (*"Helping to define business strategy"*)

With regard to the first aspect, the results showed a fairly high level of support provided by the IC team/department (Chart 33). IC advises managers how to manage specific communication challenges (57%), supports executives/senior managers by providing information/insights for decisions (49%), and enables them to recognize the inherent communication aspect in any of their decisions and activities (40%).

As far as the second aspect, the findings generally revealed a low level of executive influence for the IC head. Only 35% of companies say that the IC head is always invited to senior-level meetings dealing with organizational strategic planning and 32% indicate that the IC head is involved at the earliest stages of strategic planning. Some 35% of respondents declared that the IC head is involved in decisions only when problems occur.

Chart 33 - Thinking of IC within your organization, to what extent do you agree with the following statements?
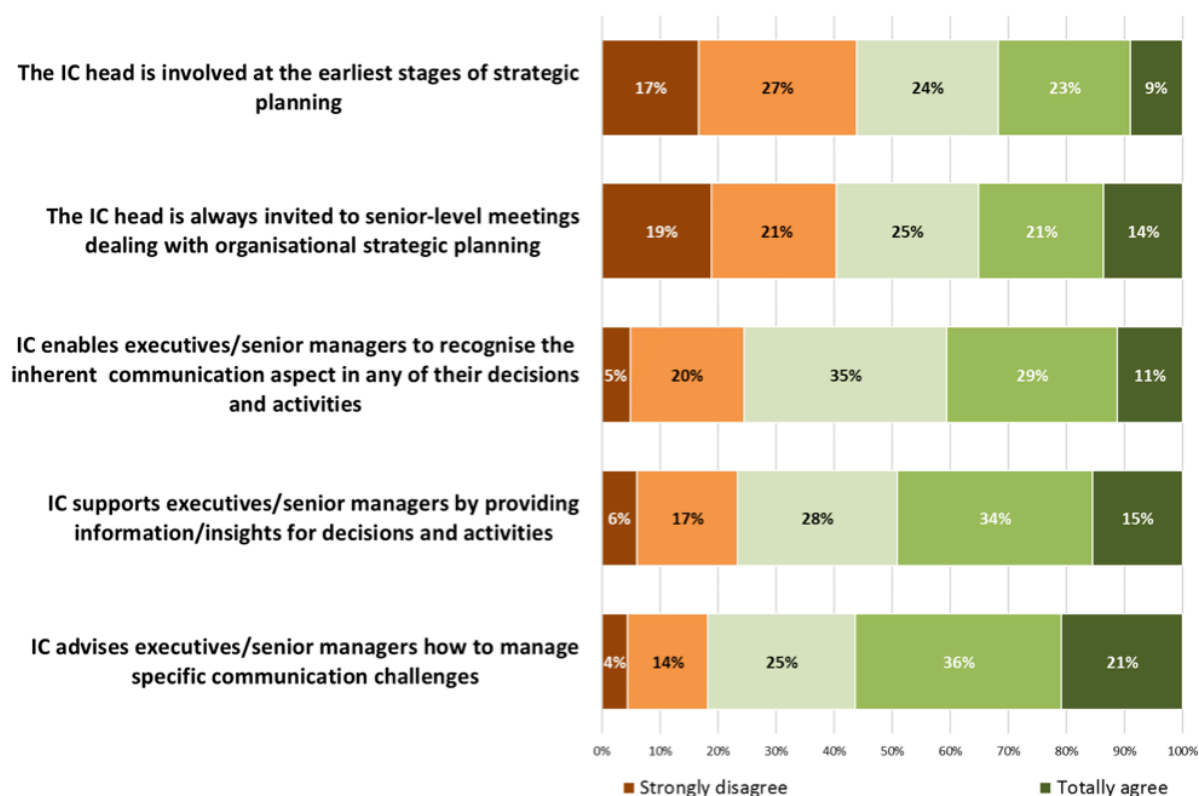
Source: *Internal Communication in Europe* 2018

As a general rule, perceptions about the effectiveness of IC increase the most when IC helps define business goals and supports their achievement on a daily basis. In other words, when IC is seen as a direct contributor to organizational objectives and decision-making. On this basis, respondent companies were clustered[3] (Chart 35) into four groups corresponding to four different roles performed by IC departments:

Strategic facilitators: the dual role of supporting the definition of business strategies and the attainment of the desired corporate performance

Business advisers: helping to adjust organizational strategies and supporting top management by adding the communicative dimension to strategy formulation

Operational supporters: focus is on supporting other offices, developing communication skills and providing genuine consultancy with no involvement in strategic activities

Isolated experts: no clear link between internal communication activities and corporate objectives

Whenever IC plays a "*strategic facilitator*" role, the communication team is considered by senior management as a reliable consultant and managers across all departments take recommendations from IC seriously, being aware that communication is an integral part of their tasks. In such a context, IC is seen as directly contributing to the formulation of strategic corporate decisions.

The research shows that whilst IC should aim at playing the role of "*strategic facilitator*," in slightly more than a quarter of the surveyed companies IC actually plays such a role.

Significant differences were noted with reference to the presence or lack of a dedicated IC department and of a formal IC plan, whilst no significant differences were observed regarding the allocation of a specific budget.

Chart 35 - Roles enacted by IC that reflect the relationship with organizational processes and strategies
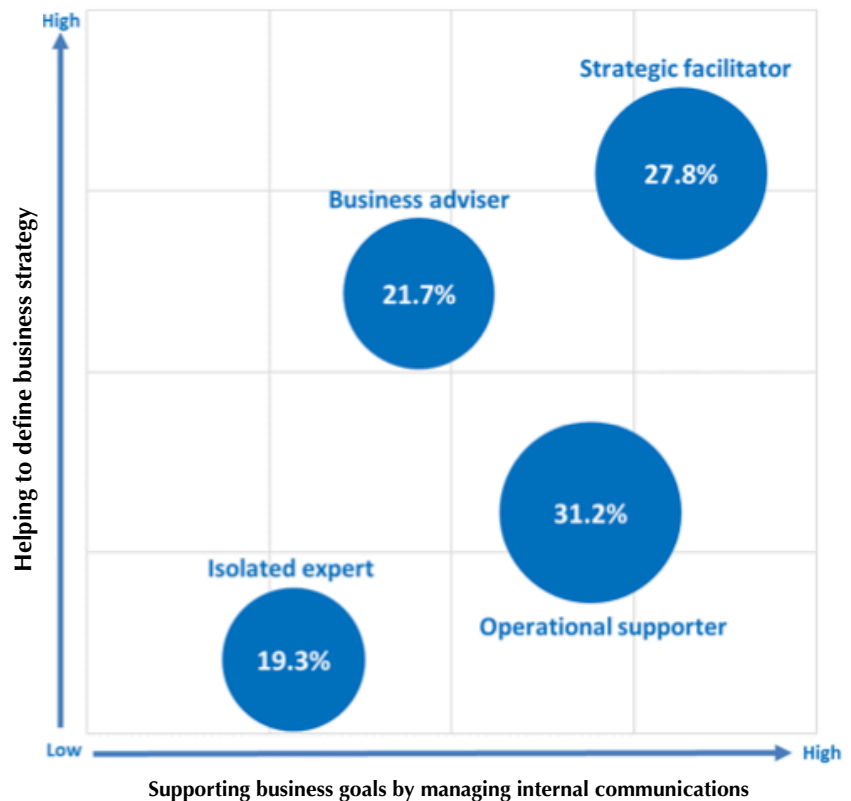
Source: *Internal Communication in Europe* 2018

[3] Based on the methodological approach adopted in 2014 by the European Communication Monitor (Zerfass et al., 2014), a joint study by academia and practice that has been conducted annually since 2007 by the European Public Relations Education and Research Association (EUPRERA) and the European Association of Communication Directors (EACD).

Characteristics of highly effective communication strategy

The research also tried to identify the elements that define an overall effectiveness model for internal communication and the related organizational and managerial aspects. Once again, the effectiveness of IC strategies relates to the extent to which internal communication is seen as useful and contributing to business goals.

The research thus considered the following aspects:

- the level of engagement of the head of IC in making strategic company decisions ("*Helping to define business strategy*") and the subsequent executive influence
- the level of support offered by the IC team/ department to other company functions both in developing their communication skills and providing genuine communication consultancy ("*Supporting business goals by managing Internal Communication*")
- the level of *IC advisory influence*, which implies top management recognizing the role played by IC and more generally, the level of awareness of management about communication aspects in any of their decisions and activities

- the perception of the *quality of the communication climate*, i.e. the existence of a supportive communication climate, which allows for a better exchange of information and a more positive and engaging work environment

Results show that the "*highly effective*" companies, where internal communication management achieves a high level of effectiveness includes 41.6% of the companies. More than two-thirds of these companies have a dedicated IC department, mainly reporting to Corporate Communications or to the CEO. In almost 70% of cases, IC has a specific budget allocation and in 73%, a formal IC plan.

On the contrary, the "*lower effective*" companies only have a dedicated IC department in one case out of two. Moreover, in almost 30% of cases, the head of the department does not report directly to the CEO or anyone on the board (weakly aligned department).

The frequency of cooperation with other departments is also key to establishing a difference between low and high effectiveness companies (Chart 53).

Chart 53 - How closely does the IC team in your organization work with…
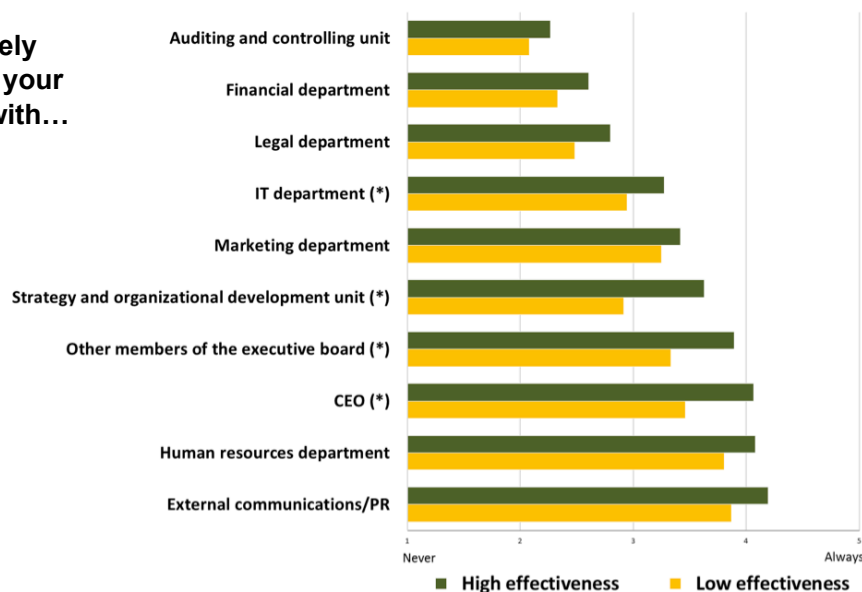
Source: *Internal Communication in Europe* 2018

(*) = p<0.000

The chart 55 below and the chart 57 on the following page capture the main characteristics of companies considered "high effectiveness" versus "low effectiveness." A comparative analysis of these characteristics shows that the fundamental differences between companies in the two effectiveness clusters can be narrowed down to the following five elements:

1. **Alignment of the IC department**: the proximity of the IC department to top management is higher within the "high effectiveness" cluster than the other cluster
2. **Collaboration of the IC team with other departments** within the organization: the IC team in companies belonging to the "high effectiveness" cluster are significantly more integrated into the organization
3. **Measurement**: companies belonging to the "highly effective" cluster are better in using research to assess IC effectiveness on all levels, from input through output and outcome to outflow of internal communication
4. **Listening**: companies belonging to the "highly effective" cluster have significantly more developed methods of collaborators' structured listening, such as ad-hoc surveys and regularly feedback collection
5. **Strategy formulation**: companies belonging to the "high effectiveness" cluster show a better ability to properly formulate the IC strategy
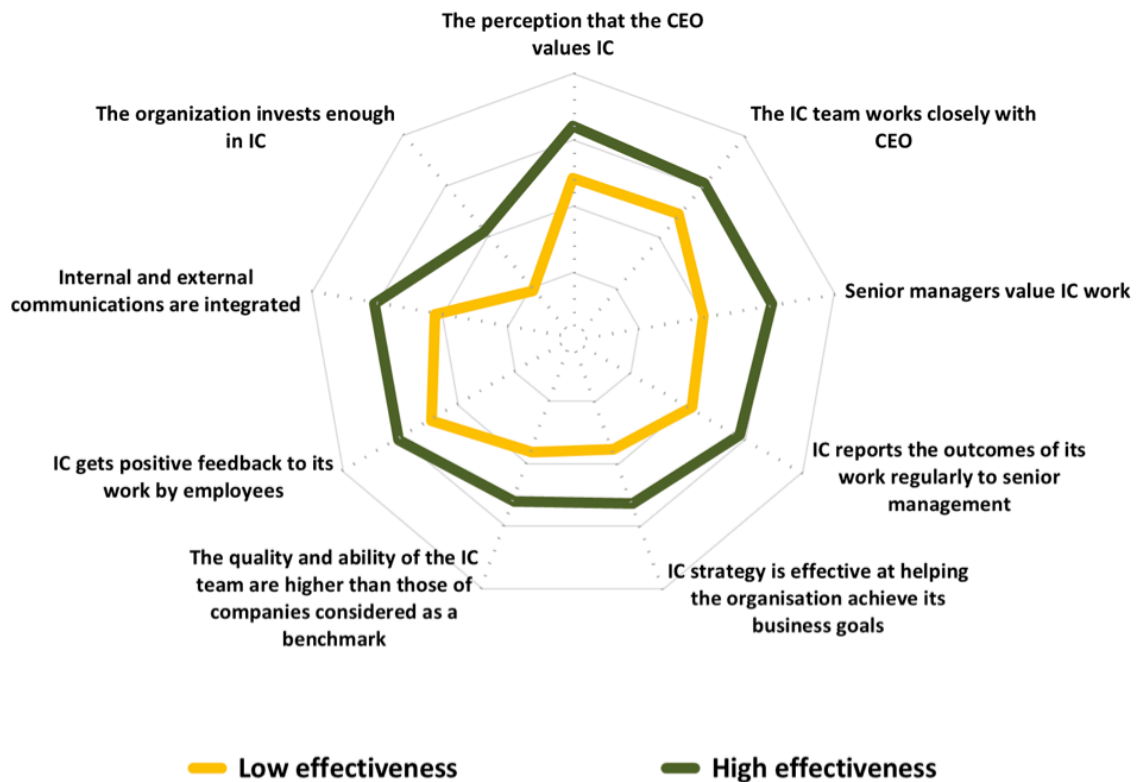
Going back to the four roles performed by IC (see Chart 35 on p. 10) the analysis showed that 46.5% of the "*highly effective*" companies have an IC department that is acting as "*strategic facilitator*," while in 45.3% of the "*less effective*" companies the IC department acts as "*isolated expert*".

Chart 55 - The profiles of the two clusters of effectiveness

Source: *Internal Communication in Europe* 2018

Chart 57 - The profiles of the two clusters of effectiveness

Radar chart axes:
- The perception that the CEO values IC
- The IC team works closely with CEO
- Senior managers value IC work
- IC reports the outcomes of its work regularly to senior management
- IC strategy is effective at helping the organisation achieve its business goals
- The quality and ability of the IC team are higher than those of companies considered as a benchmark
- IC gets positive feedback to its work by employees
- Internal and external communications are integrated
- The organization invests enough in IC

Legend: ━━ Low effectiveness ━━ High effectiveness

Source: *Internal Communication in Europe* 2018

Conclusion

The findings of this research confirm that the presence of a dedicated Internal Communication department plays a decisive role in contributing to the overall effectiveness of IC. Indeed, companies with a dedicated IC department showed significant differences compared to the other companies for all the examined aspects:

- **IC objectives**: Companies with a dedicated IC department pursue almost all of the objectives that were analyzed to a greater extent.

- **IC assessment**: In companies with a dedicated IC department monitoring and measuring of IC effectiveness is performed more systematically, increasing awareness on both strategic and operational IC aspects.

- **IC effectiveness**: In companies with a dedicated IC department there is a higher consensus on the role of IC as a contributor to the strategic goals of the organization. Also, a higher level of perceived effectiveness in helping the organization achieve its business goals is attained. In these companies, IC activities are primarily focused on advising management on how to manage specific communication challenges, providing information/insights for decisions, and enabling managers to recognize the communication aspect in their decisions.

Finally, a brief note on future trends and challenges. The majority of respondents are convinced that IC will gain greater importance in the next three years, an assumption confirmed by the actual increase of financial and human resources dedicated to IC for more than 80% of respondents. The main focus will be to deal with digital evolution while coping with increasing speed and the volume of information flow. This finding is in a context where IC will have to be linked more and more with business strategies to support the decision-making process.

How to Build Efficacy in Employee
Communications at Your Organization

A Review of Best-in-Class Practices

Efficacy in employee communications is vital to the profession and to advance the purpose and value of an organization. To set a benchmark for best-in-class practices in employee communication, the Institute for Public Relations (IPR) published a two-part initiative with both qualitative and quantitative research (published in 2013 and 2014-respectively). In both initiatives, the IPR Commission on Organizational Communication (now the Organizational Communication Research Center) engaged KRC Research to help conduct the research.
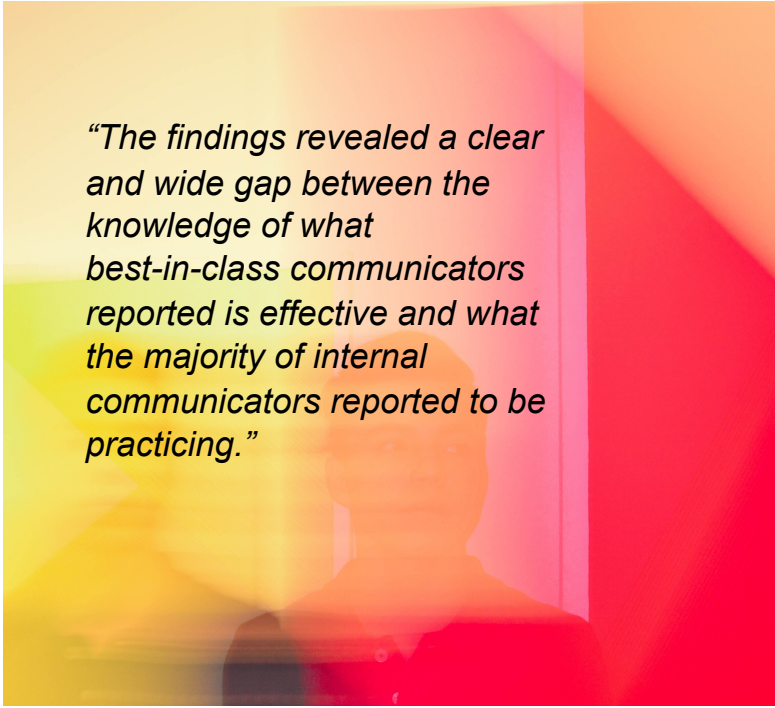
The findings revealed a clear and wide gap between the knowledge of what best-in-class communicators reported is effective and what the majority of internal communicators reported to be practicing.

Why is this research still relevant?

As anything changes with time, best-in-class practices will continue to evolve as new generations join the workforce and technology changes. You may ask, why is this research still relevant? The answer lies in the fact that many of these best-in-class practices are evergreen, such as keeping employees informed in a timely manner, using internal online forums, and adopting an authentic voice for the organization, to name a few. Sure, the specific ways that organizations keep employees informed and the different internal online forums used by organizations may change, but these aforementioned examples of evergreen practices will always remain important.

As this research points out, we must do more as a profession to connect what we know is effective, like these evergreen practices, and put them into practice within our organizations to close the gap between knowledge and action.

Here's a recap of the findings from each research initiative that highlights how you can build effectiveness in employee communications in your organization.

"The findings revealed a clear and wide gap between the knowledge of what best-in-class communicators reported is effective and what the majority of internal communicators reported to be practicing."

Best-in-Class Practices in Employee Communication: Through the Lens of 10 Global Leaders

In the first research initiative, <u>Best-in-Class Practices in Employee Communication: Through the Lens of 10 Global Leaders</u>, in-depth interviews with internal communications professionals at 10 leading global organizations were conducted to better understand internal communication methods and best-in-class practices. The 10 companies interviewed were chosen because of their recognition as the top global leaders in internal communications, as proven by placements on best-places-to-work lists, awards, and other industry recognition. The companies interviewed were: GE, FedEx, Johnson & Johnson, Cargill, Chevron, Navistar, McDonald's, IBM, Petrobras, and Toyota.

10 Best-in-class practices in employee communication: '10-from-10'

In this paper, there were 10 best-in-class practices compiled from interviews with 10 global leaders in employee communication. Below, we have summarized these practices:

1. Be a business leader first, a communicator second ("How do we make money?)

"To be truly successful, internal communicators (and we would hasten to add all communicators) must be seen as business people first, with an expertise in communications."

Internal communicators should aim to serve as a trusted advisor to senior executives, providing timely and proactive advice that shows expertise in communications while supporting business objectives.

2. Begin with the end in mind – remembering it's all about the "why?"

"An organization must be able to clearly and concisely articulate the purpose and value of change for its future success and for the employees."

A shared purpose allows for employee buy-in and greater trust to be built within an organization through collaboration. With that being said, to fully grasp an organization's purpose, employees must understand the "why?" behind it. Organizations must clearly map out what its environment must look like to meet the end goal of its shared purpose, namely the business benefits, changed culture, and business practices, etc.

3. Challenge – don't "cheerlead" – employees

"They want – and expect – to be challenged."

As new generations enter the workplace, savvy Gen X, Gen Y and Millennial generation employees are expecting to be challenged and are becoming more "democratized" through growing trends inside companies such as social media, online communities, and employee affinity groups.

4. Create a roadmap for change, but expect detours on the road ahead

"Alignment is neither easy nor linear; ironically, being prepared for bumps in the road will accelerate the journey."

Creating a successful shared purpose within an organization requires the development of a clear and measurable path to the desired future state. Communicators must not only help develop this "roadmap," but also creatively communicate it – through ways such as dynamic storytelling, strategic learning maps, and online communities – to the collaborative community.

A successful collaborative community must align shared purpose across projects throughout the organization and prepare for the unexpected, as organizations are ever-changing. While it is impossible to know exactly what will happen, organizations that prepare to adapt their "roadmap" when the unexpected occurs will see greater success.

5. Build a detailed internal stakeholder map

"Each employee constituency has a different concern and a different role in supporting change."

To successfully implement organizational change,

you need an engaged workforce supporting that change, and one way to engage and better communicate with employees is to develop an internal stakeholder map. This map should better integrate employees and specifically identify the needs of leaders, front-line employees, sales professionals, customer support teams, functional support personnel, and others.

6. Don't vacate your seat at the table, advocate a point of view

"Communicators must come prepared and have a point of view that they actively voice."

Involving internal communicators in decisions that shape change within an organization can help achieve better implementation and adoption of the desired changes much more than simply involving internal communicators after decisions are made.

7. Adopt an authentic voice: Sustainability and green-friendly practices are still in, but they are no longer it

"Authenticity which calls for demonstrating integrity, telling employees the truth even if the news is bad, being consistent in what is said and done internally and externally, and acting in an honest, trustworthy way, is the new "green" among best-in-class companies."

While environmental stewardship is of course still important, employees are now looking for a total values alignment with their employer that is transparent. The new "green" is authenticity – listening to and addressing employee concerns and ideas, and creating opportunities for dialogue.

8. The power of line-of-sight managers as communicators

"Empowering key leaders and front-line managers to deliver messages is essential. Simply put, any significant change effort will fail without them."

Line-of-sight management through a direct supervisor remains the most trusted resource for information, and they should be used as a communications tool to directly connect with employees.

Four factors that contribute to internal communications driving business value

Based on findings from the qualitative survey, four factors that contributed to internal communication teams driving business value were revealed:

1. An organizational structure that connects internal communicators with the rest of the company up and down the chain of command

2. An innate understanding that strong internal communication will have a positive return for the brand and the company that need not be proven at every juncture

3. An arsenal of tools and practices for both listening and communicating a message

4. A strong commitment to keeping employees across the company informed in a timely fashion, often before stories break in mass media and digital channels

9. Content and content strategy is king:

"If you think your company controls the message in this brave new world, think again. Employees increasingly are driving communication at their levels."

Employees are a driving force in an organization's communications efforts, and internal communicators must work to help all employees gain understanding and commit to key messages. Internal communicators should keep key messages at the forefront, creatively building interest and engagement around those messages in an effort to keep initiatives fresh among employees.

10. Always and measure and track strategies, tactics, and channels

"Our interviews tell us that best-in-class companies relentlessly track and measure strategies, tactics, and channels. They intentionally treat their employees like customers."

It is important to constantly measure strategies, tactics, and channels observing how the message is getting through and its effectiveness. It is important to answer questions like: **"**What's the total cost of engagement and internal communication?" "Are our messages getting through?" "Are people acting on them?" "How is that message affecting their view of the company, or the level of advocacy they have on the company?"

The 22 Factors of Success

1. Periodic assessment of employee perceptions

2. Have "listening posts"

3. Having a roadmap of organizational changes and developments

4. Having an internal stakeholder map

5. Having internal social media sites/platform

6. Internal communications lead having oversight of all key internal communications in the total organization

7. Team leaders participate in total organization strategy session

8. Having an internal communications team leader report to the leader of corporate communications, or the company

9. Keeping employees informed in a timely manner

10. Keeping employees informed of the context of current issues

11. Keeping employees apprised of organizational change and development

12. Adopting an authentic voice for all internal communications

13. Communicating the impact of organizational change

14. Utilizing messaging platforms consistently

15. Having measurements/metrics to benchmark strategies

16. Gauge employee engagement

17. Utilizing line-of-sight managers as communicators

18. Challenging the next generation of employees to contribute to organizational growth

19. An organization should be able to clearly and concisely articulate the purpose and value of change for its future success and for employees

20. Internal communicators should be seen as business people, with an expertise in communications

21. Strong internal communications will have a positive return for the total organization that need not be proven at every juncture

22. There are shared viewpoints up and down the chain of command

Common practices in communicating internally

Internal communicators use various practices in their work that aim to help address challenges like complex organizational structures, digitizing the message, and retaining employees. The following displays several communications objectives and the common practices associated with delivering on those objectives:

Objective	Practices
Sending a well-received message that is internalized and absorbed	• Attention paid to tone: Convey respect and appreciation with words. • Focus on content: Ensuring that the content of the message is relevant to the recipient and that the message itself conveys what is important and why the topic matters. One participant shared that a prior practice had been to simply forward on press releases after they went to the media. Employees did not know how to interpret the release, what to make of the information, or if it even related to them. A new practice of explaining the topic and reason for the release, what it meant to employees, and what they could expect helped make messages feel more relevant across the board.
Stay on-message with the rest of the company/present a unified message	• Consensus building: Gaining agreement and buy-in for an approach or action throughout the company. • Alignment behind mission: Utilizing mission to ground actions. • Messaging architecture: Alignment behind an adopted messaging architecture to guide communications. • Executive visibility: Some shared that they endeavored to have leadership visible and delivering messages where possible. If it is spoken from leadership, it feels more applicable and more universal. There are challenges with this, of course, mainly being availability given intense schedules.
Targeting messages/managing flow of information	• Subject line conventions: Utilizing tags that signal prominence: Important information, breaking news, nice-to-know, of interest regularly can signal an employee as to what is essential to read, and what can wait. • Standard publications: Leveraging regularly scheduled newsletters, or email updates as a vehicle for relevant information helps legitimize their purpose, and gives an employee a reason to read.
Reaching hard-to-reach employees (including without email access)	• Multi-channel publications: Companies leverage closed-circuit TV and digital signage in warehouses or plants to convey messages that others might receive via email. • Multi-language: Headquarters often work with the regional offices to ensure proper translation. • Liaisons: Knowledgeable individuals who can deliver messages.
Being the first to inform employees of breaking news	• Streamlined approval process: Ability to quickly disseminate breaking news without obtaining multiple approvals. • Setting expectations: Conditioning employees to know that the company will endeavor to inform them of breaking news first.
Building engagement with company/brand	• Social media platforms/Intranets. • User-generated content.

Based on participant responses, findings revealed several topics as being key to internal communication. While these topics are addressed throughout this article and the report, they are presented here, as well, for a more concentrated examination:

Topic Area	Observations
Strategic Planning	• Policies and Procedures: Some companies place the idea of highly structured policies and procedures very high on their priority list. • Corporate strategies = Communications Strategies: Staying "on the same page" as the company at large is an effective approach for communications, keeping the company's goals and objectives in mind at all turns.
Digitization	• Intranet: Several companies utilize an Intranet system, and reviews are mixed. One participated noted the importance of striking a balance between using this to convey information the company wants to share and the information that team members need. • Digital signage: A valuable tool particularly for companies within which many employees are not necessarily at a desk or with a computer (especially delivery and manufacturing people), and some don't go home and immediately go online. One participant noted that digital signage is used to convey a range of messages to this audience: including celebrating success, sharing important information, and communicating safety-related updates (particularly as it may relate to manufacturing). • Internal/satellite TV stations: Used to deliver content to certain audiences—again, particularly those not working at a computer. • Live Webcasts: It's OK to be less "polished" in this age of "tell it like it is"—a straightforward and "as is" presentation of information is acceptable and actually embraced. • Social media: Addressed in several interviews, as reflected in comments included in comments on where improvements can occur.
Reflecting Brand Perspective In [Internal/Employee Comms/ Employee Engagement]	• Annual goals: One approach to maintaining engagement is making it part of the Internal Communication group's annual goals. One participant said, "We contribute to the business's success by making sure we increase the effectiveness and engagement of the [company] workforce in a way that's measurable so we kind of put it right out there."

Verbatim reproduced as it appeared in *Best-in-Class Practices in Employee Communication: Through the Lens of 10 Global Leaders*, Institute for Public Relations (2013)

Balancing Local Regional And Global Communications And Communicating In Diverse Languages	• Customization: Customizing for country and regional levels is considered a best practice. • Translation: When appropriate, content is translated for offices that speak a language other than the language in which the content was created (usually English). However it was noted that there is a point at which translating everything into multiple languages can become impractical. • Video broadcasting: Closed-captioning content is an option for addressing an audience that doesn't all speak one language. Scripts are translated into all necessary languages before content airs. • Information age: One participant noted that information travels quickly, even on a global level. With that in mind, it's key to be ready to communicate both internally and externally with ALL audiences with a sense of immediacy whenever there is an issue or crisis to be addressed. • Alignment: Global corporations must leverage communications so that all levels and regions are disseminating messages that are in concert with one another.
Attracting, Nurturing And Retaining The Right Talent For Employee Engagement	• Retention overview: Senior executives strongly believe that talent retention is vital to any company's success. • Reasons to stay: There is recognition that over time, employees have become less likely to stay at one company for their entire career— there's more bouncing around within, and even across, industries. With that in mind, it becomes even more important for companies to make sure employees have a reason to stay. • Description from one participant: "There's a big focus on recruitment and continual development and always looking ahead on the horizon." • Engagement of employees: Critical, as employees who are engaged will want to stay. There is great value in keeping knowledge and expertise within the company where it was cultivated. • Feeling valued: Employees appreciate it when they feel like their company is looking out for them in their professional growth. This can be a big factor in ensuring retention. • Human resources: Recruitment and retention are often the responsibility of HR, but are still seen as priorities throughout the company.
Establishing Common Knowledge, Purpose Across Company	• Balance is key: As noted under *Digitization*, there is strength in striking the right balance between giving employees information the company wants to share and the information that team members need. • Sensitivity: Timing and purpose of messages going out to employees should always be taken into consideration. For example, if layoffs were happening on a particular day, it would be most appropriate to hold off on an announcement of a high-level promotion (or other positive internal news) on the same day.

What Does Good Look Like?

A Quantitative Perspective on Best-in-Class Practices in Employee Communication

Following the first initiative's qualitative findings, the second part of the initiative, published in 2014, What Does Good Look Like? A Quantitative Perspective on Best-in-Class Practices in Employee Communication quantitatively surveyed a sampling of the population of companies' internal communication practitioners, which was designed to put the qualitative theories to test.

Key takeaways shows gap between knowledge and action

Key takeaways from the study showed most of the "Best-in-Class Factors" identified in the first study were widely recognized as important. However, few of these factors were widely implemented. Respondents were also hesitant to claim they contribute to the success of the organization, are as effective as they could be in evaluations, and even that they have goals that align with the total organization, meaning perceived efficacy in internal communications is limited.

Overall, results displayed a clear and wide gap between what internal communicators knew to be important to build efficacy, and what they were doing in their organization. Findings also showed that putting important tools, practices, behaviors, and ways of thinking into place builds efficacy.

Factors of importance

Nearly all respondents identified 13 of the "22 Best-in-Class Factors" as important. Most of the 13 factors identified as widely important are seen as foundational to internal communications:

1. Keeping employees informed in a timely manner
2. Keeping employees informed of the context of current issues
3. Periodic assessments of employee perceptions
4. Keeping employees apprised of organizational change and development
5. Adopting an authentic voice for all internal communications
6. Utilizing messaging platforms consistently
7. Having oversight on all communications tasks and people
8. Communicating the impact of organizational change
9. Communications leaders participate in strategy sessions for the company
10. Gauge employee engagement
11. Having an internal communications team leader report to overall corporate or communications leader
12. Have "listening posts"
13. Measurement to benchmark strategies

Additionally, there were five of the 22 factors that were not as widely seen as important. Only about half of respondents were utilizing line-of-sight managers and only about two-in-10 were challenging the rising generation of employees. Based on the respondents reported use (or lack thereof) of these factors, it suggests that communicators did not see the value of these factors to contribute to internal communications effectiveness for their organization, or did not understand how the practices can be implemented. These five factors are seen to be more strategic and present a new way of thinking in internal communication including:

1. Utilizing line-of-sight managers as communicators
2. Having a roadmap of organizational changes and developments
3. Challenging the next generation of employees to contribute to organizational growth
4. Having an internal stakeholder map
5. Having internal social media sites/platform

All in all, very few of the 22 Best-in-Class Practices were in place at more than 75 percent of respondents' companies, regardless of whether the factors were more widely seen as important.

Possession

(% each statement is met)

Statement	Currently Have Element	Considering Acquiring	Don't Have/ Not Acquiring
Keeping employees informed in a timely fashion	76%	14%	7%
Communications leader reports to the leader of corporate communications	72%	8%	15%
Inform employees about current issues	71%	16%	10%
Employee perceptions assessment	68%	17%	12%
Communicating impact of organizational change on employees	68%	16%	9%
Keep employees apprised of organizational change and development	65%	18%	15%
Adopting an authentic voice for the organization	62%	21%	14%
Utilizing messaging platforms consistently	56%	28%	12%
Internal leader oversees all key internal communications activities	52%	19%	25%
Utilizing 'line-of-sight' managers as communicators	49%	29%	15%
Internal social media sites/platforms	40%	37%	20%
Employing analytics to regularly gauge employee engagement	40%	40%	18%
Communications leaders participate in organizational strategy sessions	40%	21%	35%
Internal stakeholder map	35%	29%	30%
Organization can articulate the value of change for its future	32%	52%	13%
Using measurements and metrics to benchmark strategies	31%	44%	19%
Utilize 'listening posts'	29%	42%	24%
Organizational roadmap of changes	27%	33%	33%
Strong internal communications provide positive return	26%	49%	21%
Next generation of employees contribute to organizational growth	23%	32%	35%
Internal communicators need to be seen as business people	19%	42%	29%
Shared viewpoints up and down chain of command	16%	48%	29%

Scale: Currently Have Element | Considering Acquiring | Don't Have/Not Acquiring
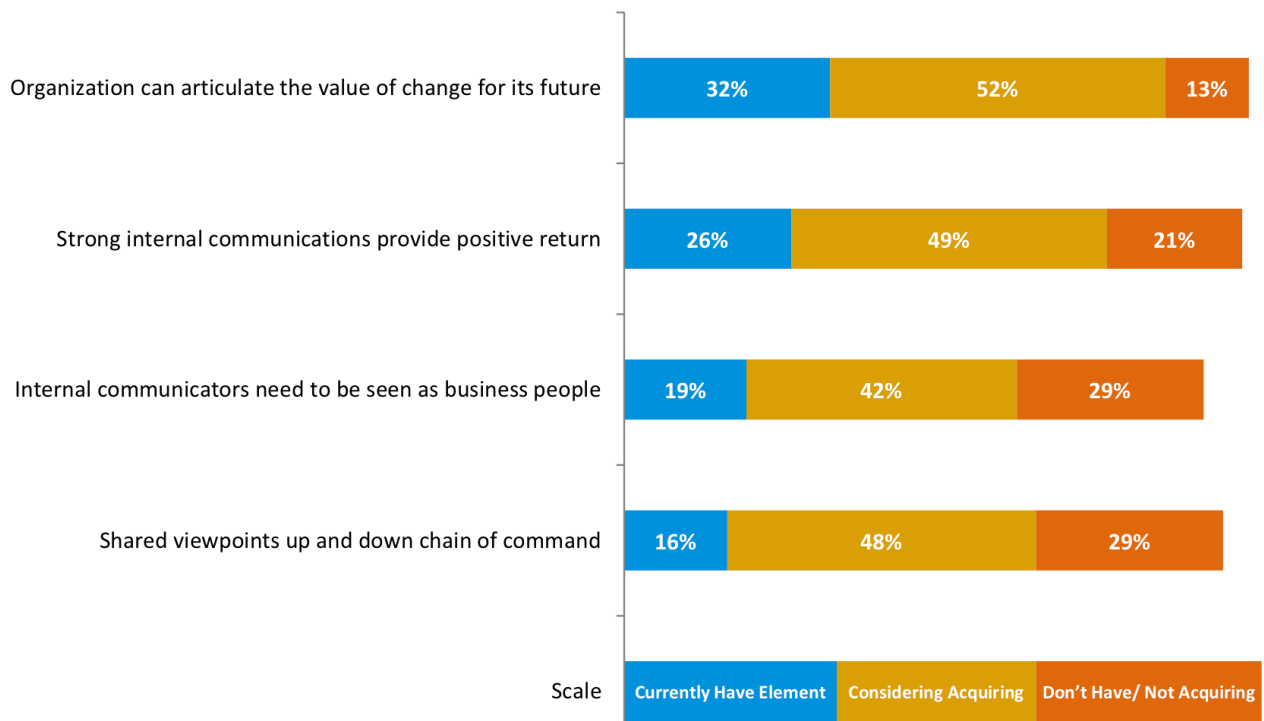
Legend
- Color coded yellow : Tools & Resources
- Color coded blue :   Organizational Structure
- Color coded green :   Practices
- Color coded orange : Mindset

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Best-in-class mindset

While nearly all respondents agreed on the importance of clearly articulating the purpose and value of change for future success and for employees, only one-third of respondents said their organization clearly and concisely articulated its purpose and value. This gap, between what internal communicators believed and what they practiced, is also visible in regard to the need for internal communicators to be seen as business people within the organization, as less than 25 percent of respondents claimed this occurred within their organization. And, fewer than one-in-four said there were shared viewpoints about how to communicate across the organization.

Mindset

	Currently Have Element	Considering Acquiring	Don't Have/ Not Acquiring
Organization can articulate the value of change for its future	32%	52%	13%
Strong internal communications provide positive return	26%	49%	21%
Internal communicators need to be seen as business people	19%	42%	29%
Shared viewpoints up and down chain of command	16%	48%	29%

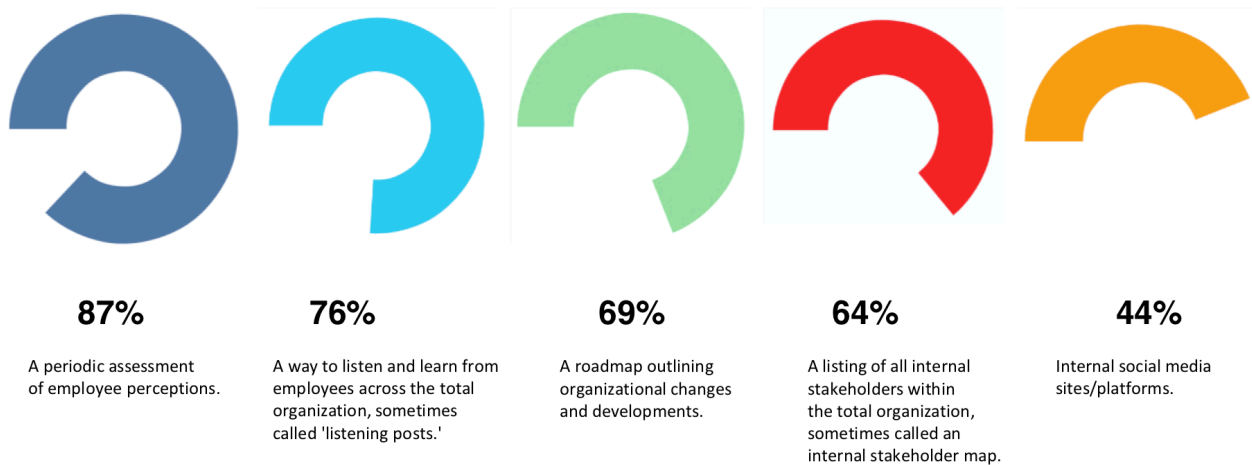## Best-in-class tools and resources

Findings revealed that most of the useful tools and resources identified by our best-in-class communicators were rarely used, with the exception of gauging employee perceptions. There is very limited use of internal social media sites (only four-in-10 respondents reported use), stakeholder mapping or listening posts (only one-third of respondents), and use of a roadmap outlining organizational changes (less than one-third of respondents). Additionally, most respondents reported they were not looking to incorporate these tools at this time.

Tools and Resources
(% finding each belief to be of high importance (top two box)

87%	76%	69%	64%	44%
A periodic assessment of employee perceptions.	A way to listen and learn from employees across the total organization, sometimes called 'listening posts.'	A roadmap outlining organizational changes and developments.	A listing of all internal stakeholders within the total organization, sometimes called an internal stakeholder map.	Internal social media sites/platforms.

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Best-in-class organizational structure

Internal communications placement within an organization will determine what sort of a "voice" internal communicators have with key corporate communications officers and other functions within the company. The three important structural factors seen as important or very important by the majority (more than eight-in-10) of respondents are:

1. Team leaders participate in total organization strategy sessions
2. Having an internal communications team leader report to the leader of corporate communications
3. Internal communications has oversight of all key internal communications in the total organization

While the majority of respondents validated the belief stated by best-in-class communicators that the placement of internal communications within an organization's structure is critical, outside of internal communication reporting to the leader of corporate communications, these structural factors were not reported to be common practice. Only four-in-10 participated in total organization strategy sessions and only half have oversight of all key internal communications in the organization.

Organizational Structure
(% finding each belief to be of high importance (top two box)

86%

Internal communications team leaders participate in total organization strategy sessions, including strategic corporate decisions for the organization.

84%

Having an internal communications team leader report to the leader of corporate communications [or similar role] for the company overall.

82%

Your internal communications team leader having oversight of all key internal communications and internal communication employees in the total organization.

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Organizational Structure

	Currently Have Element	Considering Acquiring	Don't Have/ Not Acquiring
Communications leader reports to the leader of corporate communications	72%	8%	15%
Internal leader oversees all key internal communications activities	52%	19%	25%
Communications leaders participate in organizational strategy sessions	40%	21%	35%

Scale: **Currently Have Element** | **Considering Acquiring** | **Don't Have/ Not Acquiring**
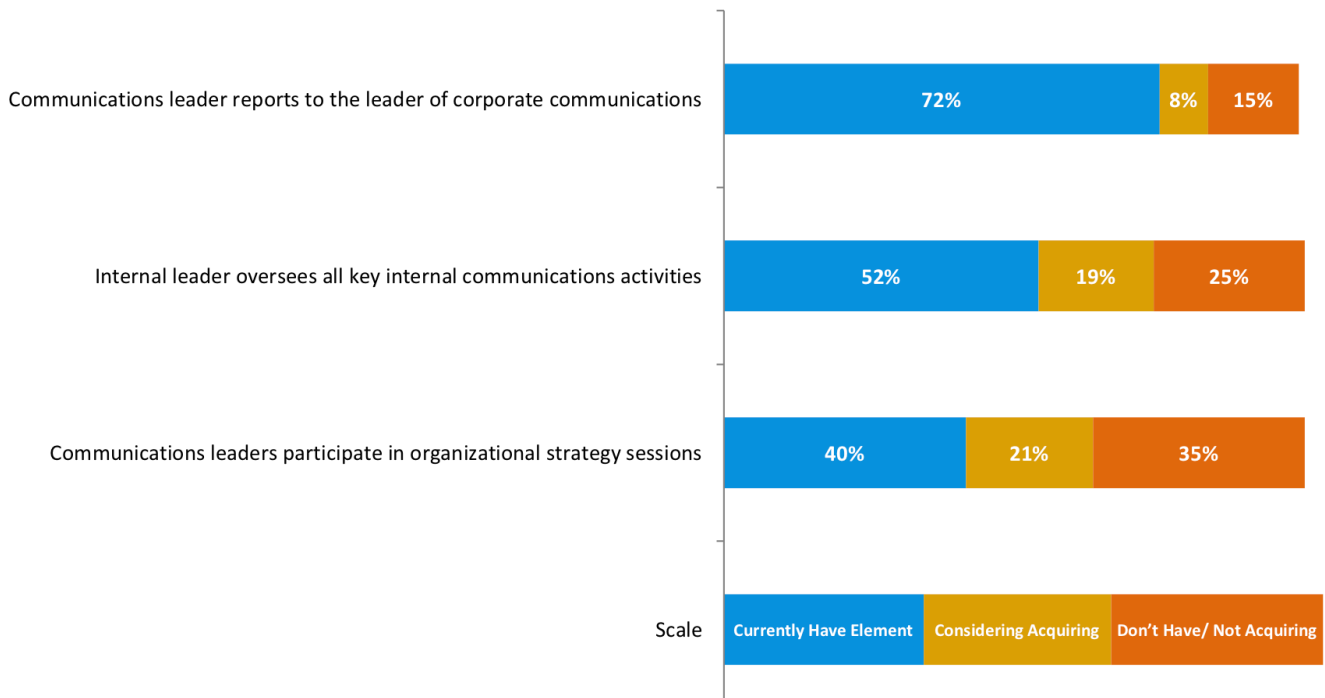
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Best-in-class practices: Gap between belief and action

In our qualitative study, best-in-class communicators reported that effective internal communication is dependent upon implementing both basic and more forward-thinking practices. Ho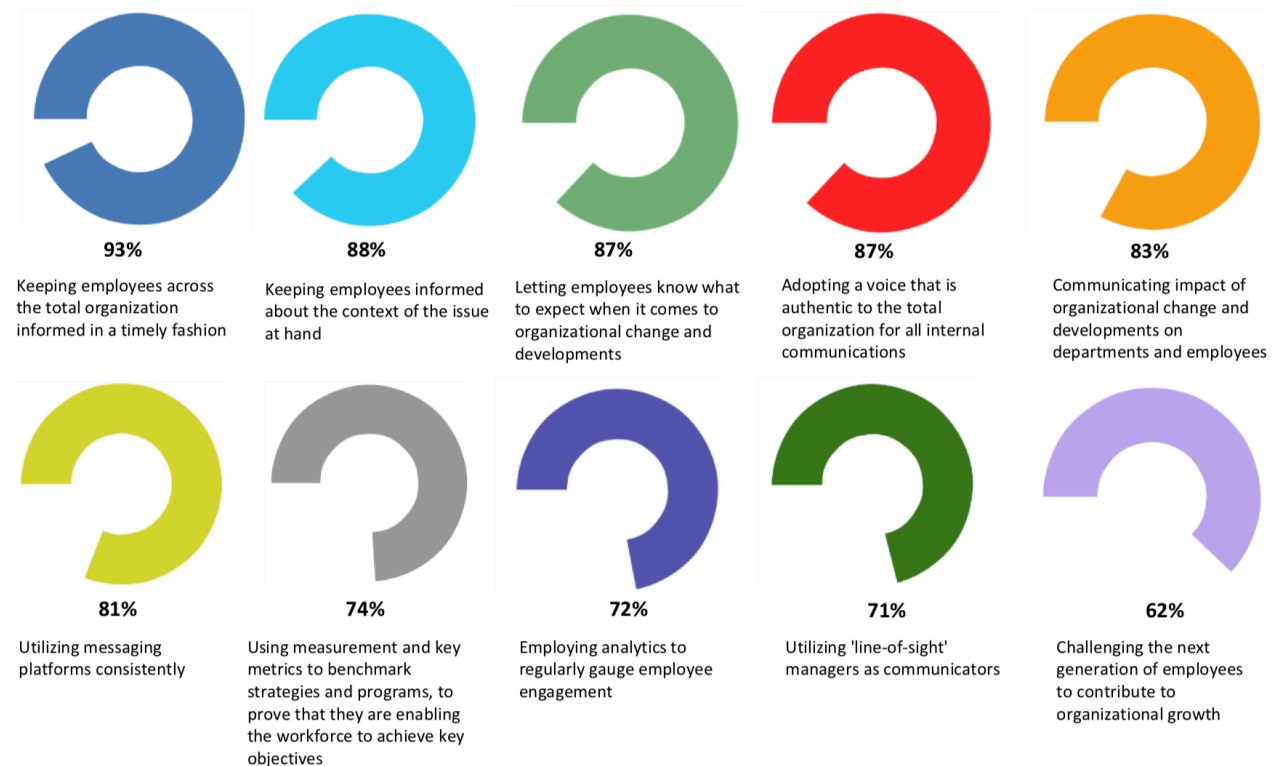wever, results from our quantitative study found that more forward-thinking practices like utilizing line-of-sight managers as communicators and challenging younger employees to contribute to organizational growth, were not yet widely viewed as important and few were putting these into practice.

Additionally, while there was widespread agreement on the importance of basic internal communication practices from respondents in our quantitative research, like keeping employees informed in a timely fashion, providing context around the issue at hand, having an authentic voice, and utilizing measurement were not universally utilized.

Practices
(% finding each belief to be of high importance (top two box)

93%
Keeping employees across the total organization informed in a timely fashion

88%
Keeping employees informed about the context of the issue at hand

87%
Letting employees know what to expect when it comes to organizational change and developments

87%
Adopting a voice that is authentic to the total organization for all internal communications

83%
Communicating impact of organizational change and developments on departments and employees

81%
Utilizing messaging platforms consistently

74%
Using measurement and key metrics to benchmark strategies and programs, to prove that they are enabling the workforce to achieve key objectives

72%
Employing analytics to regularly gauge employee engagement

71%
Utilizing 'line-of-sight' managers as communicators

62%
Challenging the next generation of employees to contribute to organizational growth

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Only about three-quarters of respondents felt their company kept employees informed in a timely fashion, and even fewer felt their company communicated in an authentic voice. Only three-in-10 reported measuring employee engagement or program outcomes.

Practices

Practice	Currently Have Element	Considering Acquiring	Don't Have/ Not Acquiring
Keeping employees informed in a timely fashion	76%	14%	7%
Inform employees about current issues	71%	16%	10%
Communicating impact of organizational change on employees	68%	16%	9%
Keep employees apprised of organizational change and development	65%	18%	15%
Adopting an authentic voice for the organization	62%	21%	14%
Utilizing messaging platforms consistently	56%	28%	12%
Utilizing 'line-of-sight' managers as communicators	49%	29%	15%
Employing analytics to regularly gauge employee engagement	40%	40%	18%
Using measurements and metrics to benchmark strategies	31%	44%	19%
Next generation of employees contribute to organizational growth	23%	32%	35%

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Scale

Implications for communicators and how to build effective employee communications within your organization

Based on the findings from both initiatives, the gap between internal communicators' mindset and behaviors are clear. So where do we go from here?

The following list identifies how you can build effective employee communications within your organization, turning the knowledge of best practices into action:

- Communications leaders should participate in organizational strategy sessions, and be seen as business people.
- Articulate the value of change for the future, roadmapping, and benchmarking strategies for change.
- Gauge employee engagement levels.
- Utilize listening posts.
- Accept the premise that strong internal communications provides a positive return, without having to prove it at every juncture.

Additionally, internal communicators should begin to utilize best-in-class communications tools and resources, which many respondents were not employing, including:

- social media platforms
- internal stakeholder maps
- engaging employees in organizational growth
- shared viewpoints up and down the chain of command

This research points to the fact that we must do more as a profession, and we must continue to share what we know with each other. While the foundational components of employee communications will remain the same, the best-in-class practices of employee communications will be ever-evolving as new generations join the workforce, technology changes, and new research is conducted. The industry must continue to collaborate and adapt as these changes occur, and begin to better implement the current best-in-class practices in our organizations.

The authors

Internal Communication in Europe : Current Status and Trends in Internal Communication in European Companies, by Massimo Greggia, the European Association for Internal Communication (FEIEA) Vice-president and a member of the Executive Board of the Italian Association for the Development of Internal Communications (ASCAI).

How to Build Efficacy in Employee Communications at Your Organization: A Review of Best-in-Class Practices and *What Does Good Look Like? A Quantitative Perspective on Best-in-Class Practices in Employee Communication,* by Sarab Kochhar, Ph.D, Director of Research and Mary Beth Perry, Research and Development Associate, both at The Institute for Public Relations.

About the report - The Next Level is the first publication of its kind bringing together C-suite leaders, in-house communication professionals/executives, and academics across all continents. Based on primary and secondary research, the report takes the conversation about internal communication to the strategic management level. Via solid insights, advice, frameworks and resources, *The Next Level* covers critical topics and issues dealing with today's challenges and future needs to truly help practitioners better position themselves as trusted counsellors and advisors and communicate on the same strategic level with senior management. Find out more and download the full global report at: ickollectif.com/report.

About the Research Brief series - 'Research Brief' is a publication series based on the findings of the global research report The Next Level. The series takes a step further as each edition puts a specific topic at the forefront, by consolidating critical information found on this subject in the 164-page report, in a clear and concise document. Each edition of the series is available at ickollectif.com/next-level-research-brief**.**

About IC Kollectif - IC Kollectif is an award-winning global organization dedicated to the strategic management of internal communication as a business function. The independent non-profit is based in Montreal and shares knowledge, insights and research from around the world on the practice of IC with people in more than 163 countries. For more information on IC Kollectif, please see our website ickollectif.com.

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