

Research Brief Series

HOW BUSINESS LEADERS VALUE IC

The Perspectives of
Practitioners Global Research Report

The Next Level

The Business Value of Good Internal Communication

June 2019



IC
Kollectif

The report, *The Next Level*¹, produced and published by IC Kollektiv, 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 looking at topics and issues addressed in the 164-page global report. Based on primary and secondary research, following are the key findings based on quantitative and qualitative results found in the report related to how business leaders value internal communication from the perspective of practitioners. The full report is available at ickollektiv.com/report.

How Business Leaders Value IC From the Perspective of Practitioners

A number of recent surveys and research on the state of the practice of PR and internal communication provides interesting findings related to how practitioners believe that their business leaders value internal communication.

Internal Communication in Europe: Key success factors and managerial approaches,² reveals that although some 69.6 percent of respondent companies affirmed that their CEO values IC, advisory influence is low. Only 40 percent of respondents believe the IC team is very or extremely viewed as trusted advisers by senior management, while 37 percent think their recommendations are taken seriously/very seriously by executives and senior managers. Some “30 percent of respondents think there is limited or even non-existent capacity or opportunity to influence senior management with their recommendations.”

The survey was conducted in 12 European countries. IC professionals from 448 companies with at least 500 employees were surveyed. Only 35 percent of companies said that the IC head is always invited to senior-level meetings dealing with organizational strategic planning and 32 percent indicate that the IC head is involved at the earliest stages of strategic planning. Some 35 percent of respondents declared that the IC head is involved in decisions only when problems occur.

- **69.6%** believe their CEO values IC
- **40%** believe senior management (very/extremely) view IC teams as trusted advisers
- **37%** think their recommendations are taken seriously/very seriously by executives and senior managers
- **30%** think there is limited or even non-existent capacity or opportunity to influence senior management with their recommendations
- **35%** of companies say that the IC head is always invited to senior-level meetings dealing with organizational strategic planning
- **32%** indicate that the IC head is involved at the earliest stages of strategic planning
- **35%** declared that the IC head is involved in decisions only when problems occur

European Internal Communications

“The perception of the role played by IC has a linear connection to the perception of the reliability and credibility the IC team enjoys with senior management and the effectiveness with which IC feels it is able to make senior managers and executives understand the communication aspects in any of their decisions and activities.”¹

The VMA Group surveyed 410 communication professionals and results were reported in *The View*.³ According to the study, respondents believe that senior leaders in their organization are strong advocates of communication (35%), 'on board' with communication (34%), and understand the value of communication, but they are not key advocates (22%) and do not understand the importance of communication (9%). Some 75 percent feel their CEO/MD truly values the importance of communication within their organization.

The results looking at the same aspects were a bit different in *Inside Insight 2018*,⁴ also produced by VMA Group. Some 670 IC practitioners answered the question "Overall, how is internal communication viewed by senior leaders in your organization?" Some 20 percent believe they are advocates of IC, 40 percent believe they are 'on board' with IC, 28 percent think they understand IC but are not key advocates, and 12 percent feel their senior leaders do not understand the importance of IC. Some 77 percent of respondents think their CEO and senior leaders recognize the importance of the function within their organization.

According to the *European Communication Monitor 2019*,⁵ communication professionals feel that their profession is only trusted by two third of top executives (67%). The ECM is based on responses from 2,689 communication professionals across 46 European countries.

The *State of the Sector 2019*,⁶ reported that nearly 7 in 10 think leaders understand the value IC brings and view them as trusted advisors — but this evidently isn't always translating into IC becoming involved in the wider aspects of organisational decision-making and transformation. More than 820 practitioners took part in the survey conducted by Gatehouse.

Some communication directors undervalue IC

IC practitioners also struggle to be recognized by communication directors. *Inside Insight 2018*, by VMA Group, reports that 59 percent of the respondents feel their communication director undervalues IC compared to other communication disciplines in their organization. Only 41 percent feel that their communication director values IC and external communication equally. The report outlines that this "may reflect that IC is still fighting to find its strategic place alongside the external communication discipline."





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- **35%** believe that their senior leaders are strong advocates of communication
 - **34%** believe that their senior leaders are 'on board' with communication
 - **22%** feel that their senior leaders understand the value of communication, but don't see them as key advocates
 - **9%** believe that their senior leaders don't understand the importance of communication
 - **75%** feel their CEO/MD truly values the importance of communication within their organization

The View, VMA Group

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- **20%** believe their senior leaders are advocates of IC
 - **40%** believe their senior leaders are 'on board' with IC
 - **28%** think their senior leaders understand IC but are not key advocates
 - **12%** feel their senior leaders do not understand the importance of IC
 - **77%** think their CEOs and senior leaders recognize the importance of the function within their organization

Inside Insights 2018, VMA Group

- Nearly 7 in 10 think leaders understand the value IC brings and view them as trusted advisors.

State of the Sector 2019, Gatehouse

SAP's head of marketing and communications, Nick Tzitzon, confirms that expectations of top business leaders on their communication teams are higher than ever. "We in the communications profession are expected to be strategists that help drive business results."¹



Reputation of the role and the function of IC

In *The View*³, when asked to share the most important challenges facing their communication team within the next 12 months, demonstrating the strategic value of the function was among the top three. Respondents said that some of the biggest challenges for the communication profession over the next five years is to improve the function's reputation, justify its role, and demonstrate its effectiveness.

The Institute for Public Relations (IPR) conducted a research among 156 communication professionals in the USA. According to *What Does Good Look Like? A Quantitative Perspective on Best-In-Class Practices in Employee Communication*,⁷ only 25 percent of respondents said that their company implicitly believes that the value of internal communication need not be proven at every juncture, leaving a high level of practitioners facing this challenge.

As noted in other reports, *European Internal Communications*³ shows that the value of IC remains a concern. Answering the question "how important will each of the following issues be for IC in the next three years?", 61 percent and 69 percent respectively said explaining the value of IC to top executives and strengthening the role of the communication function in supporting top management decision-making.

- **59%** feel their communication director undervalues IC compared to other communication disciplines in their organization

Inside Insight 2018, VMA Group

- **25%** believe that the value of internal communication need not be proven at every juncture at their company

The Institute for Public Relations

Among the top three challenges facing communication team within the next 12 months is demonstrating the strategic value of the function.

Biggest challenges for the communication profession over the next five years:

- improve the function's reputation
- justify its role
- demonstrate its effectiveness

The View, VMA Group

Important issues in the next three years:

- **61%** say explaining the value of IC to top executives
- **69%** state strengthening the role of the communication function in supporting top management decision-making

European Internal Communications

- There's a need "for further discussion with CEOs and leadership teams to better promote what we do and the value we add and provide clarity on the importance of the function."⁸

Making it Count, CIPR Inside

How Business Leaders Value IC Views From Our Contributors

Thirty-three in-house communication professionals representing 20 industries from 25 countries across all continents contributed to the report *The Next Level*. The following reflects selected comments from some of the contributors on this topic.

SAP - The importance of communication is something that's vociferously driven by the company CEO who innately understands how non-negotiable communication is to get exemplary business results. The communication team is increasingly being brought to the table to contribute business-relevant perspectives far earlier than traditionally was the case.

General Motors - IC is considered a business variable inside the company. It is evaluated and measured and plans are drawn up so that it becomes increasingly effective.

The Hongkong & Shanghai Banking Corporation - We need to continue to demonstrate our worth, but our leaders greatly value the partnership we bring as they focus on achieving the organisation's priorities, influencing its culture, and enhancing its reputation. We enjoy a position where we are brought in early to understand business challenges and create appropriate communications strategies, rather than being used simply as a post box to issue messages from the business.

Renault-Nissan-Mitsubishi - Leaders understand the value of IC and are convinced of the strategic aspect of internal communications to achieve business results.

Business Partners

Practitioners of these companies who contributed to the report are long past struggling to get buy-in from their senior leaders. They are partners.

Qualitative findings show that their business leaders not only recognize the value of IC, but that internal communication actually plays a key role in their business strategy.

GE ■ DuPont ■ SAP
IKEA Group ■ Nestlé
General Motors ■ BRP
Microsoft ■ Arla Food
Allianz Slovenska ■ HSBC
Enel Perú ■ GSK
Renault-Nissan-Mitsubishi
DSM ■ Clifford Chance
Yıldız Holding ■ Henkel
Tata Consultancy Services
Nationwide ■ Novo
Nordisk
Greater Toronto Airports Authority ■ Tim Group
H. Alshaya Co. ■ Webcor
Telia Lietuva ■ Megapolis
thyssenkrupp Elevator
ERGO Insurance
LafargeHolcim
Tesco Bengaluru
Teva Pharmaceuticals

General Motors - We act at all times not only as a trusted advisor with communication expertise but as a business partner that participates in decision processes from scratch. It is important to know the business and speak the language of the business.

Tata Consultancy Services - IC is an important enabler for all the key business metrics of our business.



Megapolis Group of Companies - Communication is one of our top management's priorities. My team has full support from business leaders. Any member of my team can approach any member of the top management team.

Teva Pharmaceuticals- Our leaders and other key internal partners understand the value that we bring and we are included throughout the process. We bring insights about where the audience is and how to create the change desired to affect business outcomes.

Lafarge Poland - The Head of Communications is a member of the senior leadership team that meets monthly to discuss strategic topics. Communication is up-to-date with what's cooking in business and we can also consult and advise immediately on how to approach certain topics.

DSM - Leadership already understands the value of professional internal communication and change management. It is increasingly rare to be in a situation where you have to explain the value to an executive level person. We don't really have to fight to sit at the table. Internal communications has a strategic advisor role in all our major change initiatives.

GE South Asia - IC is ultimately the responsibility of the CEO and business leaders.

IKEA GROUP - IC is not owned by one function at IKEA. It's integrated throughout the organization.

Enel Peru - Internal communication is only considered valuable to leaders when it shows measurable results. Our objectives are not communications objectives. They are based on the objectives of the company.

Greater Toronto Airports Authority - Our culture has reached a point where a project team will ask what strategic goal does this project support? Should we be doing it? Employees recognize what the goals of the organization are and they can align work in a way that is effective in pushing us closer to reaching our goals.

Nestlé Oceania - As a strategic partner to the business, leaders look to IC to share expertise on employees and the employee experience for decision-making and managing change.

Tim Group - Our managers recognize that it's crucial to have a deep understanding of people and cultural factors that influence people at work and then transform this active listening into a consistent, creative action plan that matches company goals and people needs.

Henkel Singapore - Leaders understand the importance of IC, take responsibility for it, and are very supportive. Leadership communication is a key pillar of our internal communication program.

Another sign of the recognized value of IC is reflected in the decision of some companies with no or some support in internal communication to invest in the function. The Head of Corporate Communications at Megapolis Group of Companies in Russia built the IC function from scratch when she joined the company of 15,000 employees in 2015.

The IC position was elevated to director-level at Webcor. The position was created at the recommendation of the head of human resources.



References

¹ *The Next Level: The Business Value of Good Internal Communication*, IC Kollektif, 2018. Available at ickollektif.com/report

² Roberto Paolo Nelli, *Internal Communication in Europe: Key success factors and managerial approaches*, 2018. Retrieved on August 20, 2018, at http://www.vitaepensiero.it/scheda-ebook/roberto-paolo-nelli/internal-communication-in-europe-key-success-factors-and-managerial-approaches-9788834336410_2-345922.html

³ *The View*, VMA Group, 2018. Retrieved on August 20, 2018, at <http://www.vmagroup.com/the-view/>

⁴ *Inside Insight 2018*, VMA Group. Retrieved on August 20, 2018, at <http://www.vmagroup.com/team/inside-insight-2018/>

⁵ Zeffass, A., Verčič, D., Verhoeven, P., Moreno, A. & Tench, R (2019). *European Communication Monitor 2019. Exploring trust in profession, transparency, artificial intelligence and new content strategies*. Results of a survey in 46 countries. Brussels: EACD/EUPRERA, Quadriga Media. Retrieved on June 25, 20189 at <http://www.communicationmonitor.eu/2019/05/23/ecm-european-communication-monitor-2019/>

⁶ *State of the Sector 2019*, Gatehouse. Retrieved on May 6, 2019, at <https://www.gatehouse.co.uk/stateofthesector/>

⁷ *What Does Good Look Like? A Quantitative Perspective on Best-In-Class Practices in Employee Communication*, Institute for Public Relations, 2014. Retrieved on August 20, 2018, at <https://instituteforpr.org/wp-content/uploads/What-Does-Good-Look-Like.pdf>

⁸ *Making it Count*, CIPR Inside, 2017. Retrieved on August 20, 2018, at <https://www.cipr.co.uk/sites/default/files/Making%20it%20Count%20CIPR%20Inside%20Research%20Report.pdf>

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 Kollektiv - IC Kollektiv 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 Kollektiv, please see our website ickollectif.com.

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