

Best practice in
**Internal
Communications**

Methodology

Open Road was commissioned by BAE Systems in September 2011 to carry out a research exercise into best practice in internal communications among large, multinational companies.

The purpose of the research was to build a picture of what constitutes best practice among companies of this nature, and to allow BAE Systems to benchmark its internal communications practices against those of its peers.

Open Road interviewed twelve internal communications practitioners, drawn both from corporate functions and business unit functions, about their company's practices. The areas covered included:

- the content of internal communications;
- the channels, internal brand and evaluation used;
- internal communications structures.

Interviews were carried out either face-to-face or by telephone between October and November 2011. These were supplemented by a round-table discussion for internal communications practitioners held on 22 November 2011 at BAE Systems' offices in central London.

The companies that contributed to the research (interviewees in bold) were:

- **AkzoNobel**
- **Airbus**
- **Babcock**
- **Bombardier**
- **General Electric**
- **Jaguar Land Rover**
- **Lockheed Martin**
- **Marks & Spencer**
- **National Grid**
- Oracle
- **Rolls Royce**
- Tesco
- **Thales**
- **Unilever**
- William Hill

We are grateful to all these companies for their time and help.

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There was a time, not so long ago, when internal communications – or employee engagement if you prefer – was regarded as the poor relation of the communications disciplines. Internal communications essentially comprised the production of an employee newsletter in which the CEO of the time addressed the staff like a sergeant-major with a particularly dull group of new recruits.

Not any longer. Forward-looking companies recognise that investment in employee engagement is likely to offer substantial pay-back in terms of commitment and motivation –as well as offering senior management an invaluable source of information on what the real state of opinion is on the shop, factory or office-floor. That was the clear message from our research and from the subsequent round-table that was generously sponsored by BAE Systems.

But the recognition of the importance of internal communications does not mean that it is easy to do well. Indeed, dealing with an audience which is by definition likely to be better-informed than any other – and pretty sceptical – is a major challenge for communicators.

If there is one lesson which emerges from this report it is the importance of listening and well as talking. Internal communications practitioners are in a great position to speak truth to power, resulting in management which can plan for the future with a really intimate feel for the temperature of the business.

As one of our interviewees put it: “good employee engagement is not an afterthought, a luxury or a way of making everyone feel good. It is a business necessity”.

Martin Le Jeune Director, Open Road

What it is all about: **the substance of internal communications**

Why companies communicate with their employees

Any consideration of *what* organisations communicate to their employees can first benefit from a brief re-examination of *why* they communicate with their employees at all. Although, according to an exhaustive recent report on the rationale for internal communications – put together by David MacLeod and Nita Clarke for the UK Government in 2008¹ – many “believe the case for workplace engagement has been so clearly made that the task in hand is to just ‘get on with it’”.

Reassuringly, MacLeod and Clarke, based on their study of academic research and extensive observation of private and public sector organisations, found that practice does support theory, identifying a ‘clear correlation between engagement and performance – and most importantly between improving engagement and improving performance’. This leads them to conclude: ‘if it is how the workforce performs that determines to a large extent whether companies or organisations succeed, then whether or not the workforce is positively encouraged to perform at its best should be a prime consideration for every leader and manager, and be placed at the heart of business strategy’.

The reason behind this can be attributed to the idea that, broadly speaking, effective internal communications improve employee performance by helping align employees with company goals. By providing employees with a wider, corporate picture, employees better understand why they are doing what they are doing. In turn, the better a company listens to its employees, the better it can then tailor its message to its audiences, including by playing their own words back to them. It is this recognition of internal communications as a *conversation* rather than one-way traffic that has led some of the companies we observed to rename the practice as ‘employee engagement’. And by acting as the glue that spans countries, functions and departments, and welds an organisation into a single whole², the internal communications function also helps achieve a consistency of voice that builds trust and credibility. All of this helps foster employee ownership of the company’s goals: ‘the more people feel informed and engaged, the better’.

Our research has enabled us to build a picture of how close actual internal communications practices are to this ideal.

From the round-table:

Part of the business case for communicating the company values is that a correlation exists between employee behaviour and customer behaviour. This is why the advent of social media has changed everything, with companies being forced into a dialogue with customers. In turn, the resulting challenge to ensure consistency of voice through all of this noise means recruiting employees to act as advocates carries a great deal of importance.

What companies choose to communicate

As mentioned above, the core purpose of internal communications is to establish a connection between employees’ objectives and those of the company. Between them, the companies we surveyed seek to do this by communicating with employees about two main themes – what the company wants to achieve and what behaviours or ethos it wants observed in doing so. What distinguishes companies from one another is the amount of emphasis that they place on each of these areas.

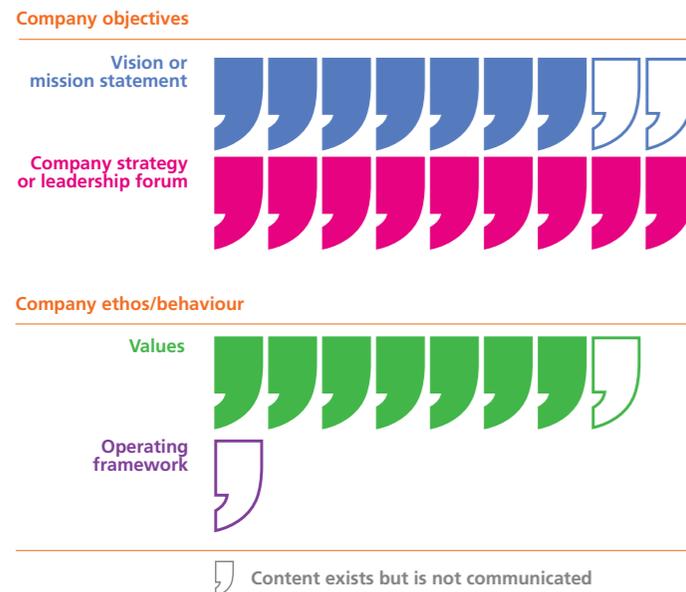
Communicating the corporate vision and strategy

Our interviews led us to two principal conclusions concerning how companies communicate what they want to achieve. The first is that almost all companies have a corporate vision or mission, or something close to it, or at the very least are working to develop one. Indeed, in some cases, multiple visions and/or missions exist across the different business functions, which not unexpectedly “creates challenges around duplication and consistency”. Where a company does not have such a vision, it may be that its external brand is so strong – “a cab driver brand” – it is not considered necessary for the company to have a separate, internal identity: “external messages get communicated internally”. The same rule applies to the existence of company strategies, which are equally prevalent.

¹ Macleod D, Clarke N (2009) *Engaging for Success: enhancing performance through employee engagement*, Department for Business Innovation and Skills, www.bis.gov.uk, <http://www.berr.gov.uk/files/file52215.pdf>

² See Pamela Mounter’s chapter on *Internal Communication* in Anne Gregory (ed), *Public Relations in Practice*, the Institute of Public Relations (2004)

What gets communicated



The second and more pertinent conclusion is that having a vision or company strategy does not necessarily mean that these are actively communicated to employees. We identified three broad explanations for this.

From the round-table:

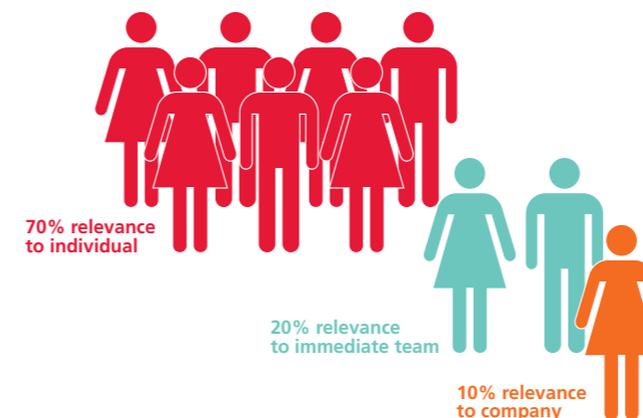
At one company, where the values have existed for a long time, they are understood by all, embedded in all communications, and used as a benchmark for behaviour.

First, where a particular vision has been in place for some time, the need to communicate this in a concerted way decreases because it is considered to be embedded, “most employees would be able to quote or would at least have seen it”; “the values have been accepted” (see below for further information on the communication of company values); “employees know the values statement off by heart”. This is not to say that, in such instances, the vision or values are no longer communicated – indeed, they will continue to feature prominently in all corporate announcements, “absorbed in as many communications as possible”. It is just that the communication of them does not appear to be an end in itself any longer: “the values are not promoted in isolation”.

Where a particular vision or set of values has more recently been introduced, meanwhile, a more active communications effort follows. At one company, the vision and values “received a major internal launch, are referred to in all major internal announcements, and have a dedicated section on the corporate intranet”. Another has developed and run a communications plan, deploying all of the major channels and including employee recognition schemes, since 2009 to promote its own, new set of values.

The second cause of variation is that, among those companies that publish a corporate strategy, it is not always necessary to ensure that this reaches all employees. Emphasis is instead given to the concept of line of sight, ie: communicating to employees only those parts of a strategy or corporate document that are relevant to them, and in terms that will resonate with them. This approach invokes the 70:20:10 rule that several companies seek to observe in their communications with employees. According to this rule, any announcement must be 70% of relevance to the individual, 20% to their immediate team, and 10% to their company.

At least three of the companies we spoke to take a line of sight approach to the communication of corporate announcements. One, for instance, cascades its annual report internally, “accompanied by senior management commentary to put it into context”. Another admits that “some employees on the factory floor would not have a clue” or at least piecemeal knowledge about the company vision, with a general rule being that familiarity “depends on how close an employee is to the centre”.



The line of sight does not prevail everywhere, however. Every employee at one company we spoke to sees a “global storyboard” developed to explain the corporate strategy whilst another runs an ‘All Employees Event’ as part of its communications plans. At the other extreme, one company takes no steps whatsoever to communicate its annual report to employees and its operating framework is “only distributed on a need to know basis”. Another does not currently seek to communicate such documents internally at all.

The third and final factor influencing the content of internal communications is senior management. Its role is described in further detail below in ‘What gets communicated: the influence of senior management’ on page 7.

From the round-table:

There will always be a question mark over whether the values represent senior management aspiration or the reality of the corporate culture. To achieve the latter, one company ran focus groups with employees aimed at identifying the essence of the company, concluding that “good is not good enough”, which became the basis of the new corporate strapline. Another, meanwhile, set out its vision of ‘where the company is’ and ‘where the company wants to be’, then consulted employees on how the journey should be made.

One company faced a challenge to impose its values when it acquired businesses in Europe that already had deeply embedded values and operating models. Rather than seek to replace these, it instead chose to overlay them with an overarching theme: “passion for people” to act as an umbrella for all existing initiatives.

“Values are not promoted in isolation”

Familiarity with the company annual report “depends on how close an employee is to the centre”

Communicating the company ethos

The majority of companies interviewed also seek to communicate to employees about the behaviours that they wish to see employees adopt or the corporate ethos that they would like to see observed – “a behavioural-led approach”. This typically takes the form of a set of values. In some cases, companies also had an operating framework setting out particular procedures needing to be following, but these are less common and even more rarely communicated.

In general, and as referred to earlier, the communication of the values bears close similarity to the way the corporate vision or mission is communicated, though this is not always the case. Some companies take an altogether more robust approach in ensuring that the values cut through, choosing not to rely solely on an internal communications programme.

At one company we spoke to, for example, adherence to the values is a key parameter against which an employee’s performance is assessed: “what you do and how you do it”. All employees are required by HR to sign a document upon joining the company, with this pledge renewed annually. Good performance is rewarded (through a bonus) while poor performance results in disciplinary action. The implication is that when “you can get fired if you don’t comply”, the values do not need to be communicated in the same fashion as they might be elsewhere. Whilst some internal communication of the values does take place, such as through poster competitions and award schemes, “fear” also has a part to play in driving employee awareness and understanding.

This company is not alone. Several others use this approach to a certain extent. One ties part of employees’ objectives and, in some cases, even remuneration to the fulfilment of those aspects of the corporate strategy relevant to them, whilst another referred to the values in devising the criteria for a recent round of redundancies.

From the round-table:

Having a set of values is not enough, however. Process integration must follow, so that an organisation’s structures and processes actively encourage employees to adopt those values.

The inherent difficulty with a set of company values is that these can be bland and “common sense”, and will rarely be specific to that organisation, nor be true to the diversity of its workforce. In one example, this problem was overcome by arranging for the CEO to hold face-to-face sessions with all employees on at least two occasions over the course of 18 months, in order to bring the values to life. This was the only way that the values were communicated.

When communicating the values, it is important to remember that there is a distinction between employees knowing the values and understanding them.

“people first and process second”

What gets communicated: the influence of senior management

The launch or relaunch of a set of company values is one of the most common examples of how a change in senior management has a bearing on internal communications. Another – as has been the case at two of the companies we spoke to – is the internal communications black-out that can result while a newly arrived senior management team devises a new corporate strategy, with the months-long communications vacuum that ensues despite an obvious “appetite for engagement” on the part of employees following major leadership changes. It is not always a case of “people first and process second”. Put simply, senior management more often than not seems to make the weather for internal communications.

Senior management buy-in, where it “understands the strategic importance of internal communications rather than just something transactional”, gives an internal communications function the mandate it needs to operate. It results in:

- Internal communicators being **involved at the earliest stages of planning** to ensure that a vision and story is developed that resonates with employees, “not brought in at the end”;
- Senior management being **willing to give their time to act as role models** and reinforce the messages being communicated;
- Senior management recognising the importance of the function as its **primary source of information** regarding **opinion among employees** or on the ground, and of guidance on how best to communicate with them.

This is why one respondent identified senior management buy-in, getting them to walk the talk, as their key priority as they seek to achieve a step change in that company’s internal communications practices. We also found at least two examples of where a recent change in leadership has given internal communications a different dynamic.

From the round-table:

The values relaunch at one company was initiated by the new management team in response to perceived issues around project delivery and customer service, and a view that the existing values were too high level and worthy. The aim of the relaunch was to achieve positive change in employee behaviour. With assistance from a consultancy, the management team worked to introduce values that were more meaningful and to develop a belief statement to support each, illustrating the behaviours to be associated with each value.

The challenge when communicating the company values is two-fold: to “keep the plate spinning” by ensuring that the values feature in the background with all internal communications, and taking care of the “cultural element” – role modelling by senior and middle management.

The feedback loop that the internal communications function operates between senior management and employee sentiment is vital but must be carefully managed. Employee feedback at one company examined, for example, generates vast volumes of information, which will have varying levels of utility. It is the role of the internal communications team to distil this into something of value. Care, meanwhile, must also be taken to avoid raising false hopes among employees over the extent to which it will be possible to act upon their feedback.

Channels: cutting through the noise

No company interviewed used just one channel to communicate with their employees. Each organisation recognises that they needed a variety of different ways to engage and inform their staff. These range from notice boards to text messages, from newsletters to Skype.

One organisation lets the content entirely shape the channel they use to communicate. For other organisations this is true in times of crisis (eg redundancies) when the channel used is determined by the situation - i.e. an announcement had to be made simultaneously to large numbers of staff. But the majority of organisations we spoke to have defined methods of communication and use those to guide what they say to their employees and how they say it.

From the round-table:

Round-table attendees agreed that having a strong internal brand that employees recognise will help internal communications to cut through.

Distributing our newsletter purely via email allows us to be more "versatile and transparent"

The newsletter is "first and foremost a mouthpiece for the company, not for staff"

Newsletters

Every single organisation we spoke to has an internal newsletter or staff magazine. The exact nature of these newsletters varies by format, style, distribution and use.

From the twelve interviews conducted, ten distribute a printed hard copy of the newsletter or magazine, either alone or in addition to an email or intranet version. Only two respondents have a purely electronic version. One of these organisations uses an email newsletter which is sent to managers for them to cascade face-to-face to their teams. The other chooses to distribute their newsletter purely on email on the grounds that this enables them to be more "versatile and transparent".

The style of newsletter varies, as to be expected, from one organisation to the next; reflecting the corporate style and beliefs. Some consider a tabloid, human interest style – "a chatty Daily Mail tone" – to be most engaging. One company stated the importance of employees feeling that the magazine was 'their' publication. But one organisation also felt that the newsletter was "first and foremost a mouthpiece for the company, not for staff".

Newsletter editorial is seen as a crucial job and is generally carried out by the internal communications team, or at least supervised by them. Some organisations outsource the editorial, whilst others have a full-time editor within the internal communications team. One – very large – organisation has hired a team of journalists to produce content, while another has one in-house writer full time. One organisation explicitly sources news stories directly from frontline staff: "the task of content creation is entrusted to employees", and similarly another company newsletter focuses on news from individual stores in each edition, while in contrast others use corporate events and stories as news hooks for content.

From the round-table:

Some CEOs/senior managers insist on signing off all content before publication. The challenge at these companies is for newsletters not to be seen as "propagandist". In other companies, senior management have no such involvement.

It is useful to note the distinction between local and global newsletters. For a number of organisations either local content is added into the global newsletter to tailor it for audiences (as well as translations into local languages) or the global newsletter accompanies a separate local or function-specific publication. Where local newsletters are produced, there are generally processes in place to ensure consistency in content, format and style.

One further, more anecdotal point, came out from this section of the interviews. Some respondents stated that the newsletter/magazine was under review or about to be relaunched. Four out of ten organisations mentioned this, with changes underway from scrapping print editions, to tabloid, glossy style relaunched. There is acknowledgment by one or two organisations that they feel newsletters to be a bit 'old hat' and these reviews/relaunches may be a reflection of the need to keep the format up-to-date and relevant.

Company newsletters are usually linked to intranet sites. Either newsletters are placed wholesale on intranet sites using a pdf version, or articles are recycled between the intranet and the newsletters.

From the round-table:

Newsletters are considered "a necessity" due to the geographical spread and profile of workforce. They are also popular with employees.

Technology

Intranet sites clearly pose some challenges for the companies we spoke to; some were engaged in "fixing the pipes", ie: creating a robust central intranet and attempting to manage a wide range of local intranets. Others were not interested at all: "it exists, but we don't use it much".

Of those that actively used the intranet for internal communications, most use it for news, information on product development and financial milestones. A distinction exists between interactive and non-interactive intranet, with some companies using the intranet as purely "an information hub" for employees. But some use it also for video content, to put questions to senior management, to host webcasts and for employee-generated content.

In one company, intranet content includes a video of the company annual report and AGM, placed on the intranet for all staff. Another organisation uses four webcasts a year, placed on the intranet and managed by the internal communications team. These are led by members of the global leadership team, and designed to be highly interactive with questions posted via Skype and the intranet.

While intranet sites are, by their very nature, internal-facing, two organisations were in the process of considering or creating intranet sites that could be viewed off-site. This was particularly important for organisations that had large numbers of staff without access to computers during the working day. One organisation is examining how to use this 'extranet' as the sole means of accessing payslips and holiday entitlements in order to drive traffic.

From the round-table:

Employees working shifts raise a question over whether internal communications can be carried out outside shift patterns. The consensus, however, is that if this is not done, these employees will only go and source information from elsewhere.

The nature of the companies interviewed – large companies with a global field-based workforce – meant that the internal communications teams could not rely purely on intranet and email for announcements. Other more immediate methods include the use of notice boards, plasma screens, telephone briefings and text messages. The latter is very rarely used, primarily in emergencies, whereas notice boards feature regularly. One organisation tasks specific employees with management of the notice board, giving them responsibility for keeping it updated. Notice boards contain posters, company notices, job adverts and the company newsletter. Where used, plasma screens or "electronic poster boards" incorporate much of the same information but permit more central control of ensuring up-to-date content.

The use of email varied substantially across and within the organisations interviewed. The difficulties in using email with field-based workforces has already been covered. But for those organisations that use email to communicate to staff, whether via managers or directly to staff, content includes site notices, weekly updates, and employee 'e-zines'. There is a sense, however, that email is not the right channel for employees and some organisations have undertaken a move away from it – "emails are a channel of limited utility"; "we use email on an ad-hoc basis"; "we've pared down email use to a single weekly update".

Social media is gradually being taken up by companies to communicate with their staff, although not all the companies interviewed have done so, and one blamed reluctance from senior management for this. But companies are certainly considering what uses social media can have for them. Of those already involved the most notable example is the company who has developed their own internal social network. This is a tailored hybrid of Twitter, Facebook and LinkedIn. They use this network to create and target specific communities within the company. They also have a Chairman's blog which is distributed via email.

From the round-table:

Different tools can be used when messages need to be communicated urgently: email cascades, video messages, and text alerts inviting employees to dial in to a conference call number.

There is scope for using channels otherwise targeted at customers. One company, for example, beams television pictures into every single one of its shops – yet this is a resource currently untapped for internal communications.

"...we've pared down email use to a single weekly update."

"...emails are a channel of limited utility..."

Face-to-face

Every single company we spoke to agreed that face-to-face meetings are the best channel for communicating directly with employees: “it’s fundamental”, “the most effective employee engagement channel”.

The details of exactly how companies carry out face-to-face communication vary, but can be broadly divided into the following:

1. **Small scale, regular team briefings** for frontline staff with line managers
2. **Small scale briefings/Q&As/surgeries** for frontline staff **with senior leadership**
3. **Town hall events**, roadshows, annual conferences **for all staff**
4. **Leadership/Directors conferences**, quarterly **CEO briefings for senior managers**

“...personalisation of the message is key to success in employee engagement.”

From the round-table:

Round-table attendees agreed that video is an effective way to reach all staff, though success does depend on the personality of the spokespeople used. Unscripted and live Q&As are often most effective.

Small scale, regular team briefings for frontline staff

Team meetings are a part of regular working life, whether they are held at the beginning of a shift, once a week or as a monthly catch-up: “It seems to be embedded in company culture”, “A typical employee at the company will attend a weekly team meeting led by their line manager, as well as a monthly team briefing attended by their wider team”.

These meetings are not necessarily organised or controlled by internal communications teams, but may include content from internal communications that is designed to be cascaded down by managers. In our interviews, examples of this content included a pack for the meeting, articles from the newsletter and company notices. Content is also provided by other parts of the business, such as HR and training.

These manager-led meetings are seen as a crucial part of employee engagement: “personalisation of the message is key to success in employee engagement... employees respond best to their line managers, who they perceive as ‘being the company’”.

One organisation in particular felt that “effective manager interaction is key to employee satisfaction” and that therefore an integral part of the internal comms function’s job is to “support managers in interfacing with their teams”.

However, concern was expressed by a number of respondents – four out of twelve – about the difficulty of making sure that these team briefings happen, and the quality of the briefings given by managers. This makes it impossible to have consistency across the company, and was also reflected by the apprehension, outlined by one respondent, about the difficulty of quantifying the success rate for these line manager briefings.

However, some of the organisations we spoke to have put in place measures to address this. These include:

- Increasing the **accountability of managers**;
- Generic **briefing material** created by the internal comms team for managers to **tailor accordingly**;
- **Educating managers** on engaging with employees and empowering them to **delegate – leaving more time for them to take on internal communication themselves**;
- Providing **behavioural psychologist-led workshops** to understand the **role of a manager** and the contribution they should be making.

As stated by one respondent, providing training and awakening managers to their responsibilities will achieve payback in helping employees feel informed and engaged, with a “virtuous circle being created where empowered employees release managers to carry out ever more employee communications”.

Small scale briefings/Q&As/surgeries for frontline staff with senior leadership

There appears to be a recent move towards smaller, more intimate meetings between senior leaders and on-the-ground staff, as opposed to the larger town hall style meetings examined in the next section. These more exclusive sessions are billed as listening exercises for management, rather than designed to convey information and updates to staff. A number of companies hold management walk-arounds where staff are invited to ask any questions they like. Similarly a series of events are held by one company called ‘Breakfast with the Boss’. Another organisation termed these ‘surgeries’, similar to an MP meeting constituents, with senior leaders visiting half a dozen locations each Friday to meet employees.

Town hall events, roadshows, annual conferences for all staff

Town hall events are a popular way of communicating to large numbers of employees among the companies interviewed. One company aims for three to four town hall meetings each year. On the whole, these events are co-ordinated by the central internal communications team, although one organisation expressed a wish to get managers involved in running their own events. In general terms, these events consist of an address by senior management, followed by questions from the floor. One organisation then has managers stay behind to answer questions one-on-one. There are some concerns, however, that employees do not engage enough at the events, and are reluctant to ask questions in front of a large crowd.

Another organisation runs roadshows, providing employees with opportunities to use the company’s products.

Leadership/ Directors conferences, quarterly CEO briefings for senior managers

A key method for communicating company strategy, financial information and updates appears to be leadership conferences, otherwise known as management conferences, leadership forums or business leaders’ conference. The majority of organisations we spoke to who have these events in place use them as a method of cascading information to all staff through managers, although one company specifically said that their event was not for cascading purposes.

Evaluation

Every company we spoke to uses some form of evaluation. The vast majority (nine out of twelve) use an annual employee survey to measure the effectiveness of their internal communications. However, large-scale annual employee surveys are often managed by HR teams, with internal communications responsible for specific question areas. Logistics of the data collection is sometimes outsourced to polling companies.

To achieve high response rates, one organisation we spoke to encourages competition between functions and teams. Another company which does not conduct an annual survey attributes this to a concern about "survey fatigue".

These annual surveys are accompanied by smaller, more regular staff surveys in some organisations. "We hold two communications audits each year on a percentage of the organisation, which checks the information is getting through, and gets feedback on new ways of communicating".

In addition, some hold ad hoc surveys: "following any set piece announcement, a survey will be circulated in the following days to gather views on how the announcement was communicated"; "We take a rigorous approach to our communication campaigns, with evaluation built in from the outset to measure impact".

Regularity of employee surveys

(both large-scale surveys and regular questionnaires)



Every 2 years – 1

Every 18 months – 1

Annual – 6

Six monthly – 5

Quarterly staff survey – 1

Ad hoc – 6

No regular surveys/questionnaires – 1

Methods of evaluation

The real division in our respondents comes down between those who focus on quantitative feedback, alongside their annual survey, and those who prefer to use qualitative methods to get feedback from staff.

Quantitative methods

Whilst the vast majority of companies we spoke to use the annual employee survey as the focus of their quantitative research, some also supplement this with other methods:

- Click-rates to intranet pages
- Viewing figures on internal websites
- Emails opened/unopened

The technology used for intranet and email communications provides a useful tool to gather statistics on this, but doesn't allow further analysis. For example, having looked at the figures, one organisation was considering conducting research with people who minimise the intranet screen whilst at their computer in order to find out why this is happening.

Qualitative methods

These include regular dip-check surveys carried out every six months on specific issues or for specific segments of the business. Some companies also carry out phone surveys, and newsletter reader surveys.

Three respondents conduct regular focus groups to evaluate their internal communications: "more informal focus groups will also be convened around specific campaigns or activity".

One organisation we spoke to has created a 'Comms Co-ordinators Network' consisting of PAs, secretaries and junior managers. These employees were chosen to be the "eyes and ears" of the internal communications function, providing feedback on campaigns and assisting with their roll-out. This enables the function to evaluate whether behaviour change has taken place.

"..informal focus groups will be convened around specific campaigns or activity"

"We take a rigorous approach to our communication campaigns, with evaluation built in from the outset to measure impact."



Keeping the show on the road: **how internal communications functions organise themselves**

Overview

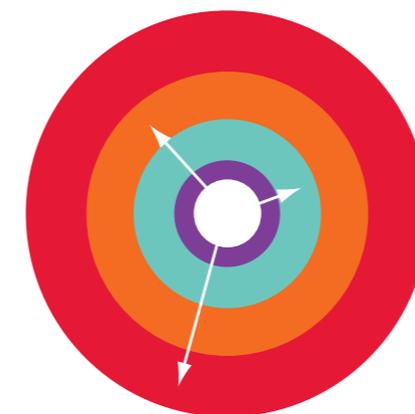
There was no single organisational format for internal communications within the overall corporate structure. But there is one very clear overall trend towards decentralisation, away from the 'old command and control' method. Success is therefore becoming a function of the arrangements put in place to make decentralisation work – enabling local teams to engage effectively with their local audiences whilst retaining sufficient cut through from the centre to be able to reach all employees when the need arises.

Structures

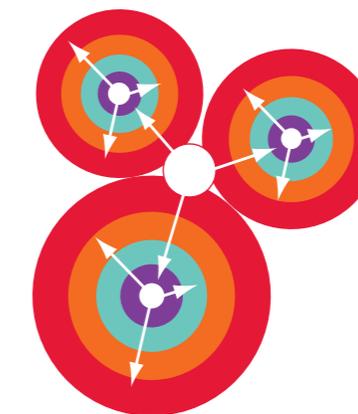
All of the companies surveyed have evolved their own distinctive means of organising how they communicate internally. What they do have in common is that they will usually have a small, central team responsible for steering the function. This team may be internal communications specialists or may work across several disciplines, which was the case with at least two of the companies we spoke to. The bulk of the implementation is devolved down to local teams, embedded in particular business functions or sites. These local teams will generally also be responsible for handling business unit communications.

However, there is a large amount of divergence as to where the internal communications function sits within a company. It is as common for an internal communications team to report into the communications function as it is to report into the HR function. The further one travels from the centre, the more haphazard these arrangements can become – within individual business functions, we found examples of internal communications leads reporting directly into managing directors, site managers, or marketing. Such variation could even be observed within individual companies. For example, at one company, there is no uniformity at all in the reporting lines of internal communications leads – “this is not consistent”.

Much of this is accidental and down to legacy, and the reality is that precise reporting lines are of secondary importance. In fact, these can be subject to frequent change: “it was formerly part of HR but then moved into marketing”. In practice, what matters most is (i) as referred to on page 7, the relationship between the internal communications function and senior management and (ii) the relationship between the central internal communications team and those internal communicators on the ground.



Centralised model



Small central team plus teams embedded in functions



No central team

Decentralisation

None of the companies we spoke to attempted to drive all of their internal communications from the centre. In fact, there appears to be a broad correlation between how well established an internal communications function is and the extent to which devolution has taken place. For example, one company's internal communications programme is currently carried out by the central team, with local leads tasked with no more than relaying whatever messages or templates are introduced centrally. In contrast, among the more mature examples, a distinct division of labour has evolved, with the centre and local teams both having clear, mutually reinforcing roles.

The decentralisation of internal communications functions that we have observed appears to have taken place for one major reason: the nature of the businesses surveyed means that they have internal audiences that are both geographically and operationally diverse: "the growth of a company makes it more and more difficult to be personal". It is simply not possible to engage effectively with each of these different audiences from the centre – local knowledge, language and feedback mechanisms are all necessary – nor to oversee, let alone manage, every every single piece of communication that takes place between the company (or those – line managers – who for employees "are the company") and employees. As one interviewee commented, ultimately "all communications are local" whilst another acknowledged that though their company's internal communications function is a global function, its practices are in fact highly decentralised and "they want to keep it that way".

However, this is not to say that the centre does not have a role to play. Indeed, interviewees pointed to the necessity of being able, when required – for example in attempting to drive behaviour change or in communicating "those four to six big corporate announcements a year" – to use its relationships with local teams to reach all employees and to receive feedback on how well messages have been understood. This appeared particularly important in heavily unionised companies where the company is in competition with the trade unions for employees' attention, and needs to be able to cascade messages quickly. Failure to do so can result in corporate messages having a hostile reception.

From the round-table:

It is possible to reach all employees. One company used a global storyboard to communicate with all 53,000 employees in 50 markets. They recorded interviews with its three most senior managers and screened these simultaneously to all employees. Screenings were hosted by local senior management, with messages translated into colloquial language and followed by Q&As.

The role of the central internal communications function

As one interviewee put it, the role of the central team is to act as an enabler for the rest of the internal communications function. In most of the cases observed, the centre sees its role as being to "set the frameworks and expectations" which regulate the environment in which internal communications take place. This is not just because the centre needs to retain some degree of control to ensure that corporate messages do cascade down through the company. It is also because local communicators are not always professional internal communicators and "will vary in aptitude". As mentioned above, they might be communicating across a range of disciplines or, frequently, might be managers and not professional communicators at all.

This role as enabler manifests itself by the centre typically taking responsibility for the following:

- **maintaining internal communications channels;**
- **developing and owning corporate content;**
- **identifying messages and audiences;**
- **establishing corporate guidelines and providing training;**
- **acting as the reference point for local teams.**

Where this works best, "the centre is seen as a partner or resource" by local teams and managers as they deliver employee communications.

For example, the central internal communication function at one company has introduced training for line managers on 'how to hold effective communications' whilst another has developed guidance including a list of dos and don'ts, and "ten tips" for internal communications. Whilst individual local leads may not always choose to use the tools provided by the centre – sometimes preferring to rely on their own methods or to replicate methods employed by other local leads, "not much is imposed from above" and "a toolbox is produced centrally but it is not always used", the centre generally remains the reference point.

Beyond this, the centre is limited in what it can do to ensure that its objectives are achieved. Attempting to enforce frameworks and expectations in anything other than a light touch manner is highly resource-intensive. It must instead put its trust in local communicators, "trust them as adults", once trained and equipped, to deliver. One company we spoke to has taken this to its logical conclusion – its internal communications are completely devolved to local teams.

Coordinating internal communications functions

All of the internal communications functions surveyed have different arrangements in place to allow its component parts to communicate with one another. One company holds a weekly conference call involving all internal communications leads and has regular face-to-face seminars, held around the world, to allow the function to convene. This helps ensure a high level of uniformity in internal communications practices across the business, and for best practice to be shared and rolled out. It also allows all parts of the function to collaborate in the development of plans, and that these are bought into from the outset. Another company, meanwhile, holds a monthly conference for the function, has a face-to-face meeting twice a year, and organises an annual global communications conference.

Others have recognised that improved coordination helps lead to improved outcomes, and are taking steps to achieve this. This includes one that is "subject to a transformation programme" to ensure that all internal communicators have a single, shared set of objectives to "save time and duplication at functional level". Another points to "the introduction and enforcement of a proper communications matrix of who does what and when" as a means to avoid "the messy overlap and duplication" that can occur when the central function and individual business unit functions are all communicating simultaneously. Even the first company referred to in the previous paragraph realises that they have more to do, and is currently "making a big effort to identify internal communicators in business units and bring them into line".

Working with Human Resources

The relationship between the internal communications function and human resources is broadly similar across companies – it is one based on partnership rather than one where one is the leader and the other is the led. This applies even where the internal communications function reports into HR. It is also "a very practical relationship" – collaboration will only usually take place where they can reinforce each other's activities. Typically, this means internal communications enables HR to communicate its messages to employees, for example in the communication of redundancies (this relationship is particularly important at strongly unionised companies, and internal communications sometimes sits on the HR executive as a result) whilst HR, by owning the performance management structure, typically acts as enforcer for what the internal communications function wants to achieve, such as in driving adherence to the company vision and values.

"... a proper communications matrix of who does what and when" is crucial.

"The growth of a company makes it more and more difficult to be personal."

Finally...

At the end of each of our interviews we asked two questions:

- What would be the **one piece of advice** that our interviewees would **pass on to their peers** in the internal communications industry?

- And, if they were **given the opportunity, what changes** would they make to the way their company **communicates with its employees?**

The answers – and not everyone felt able to distil their wisdom into a single point - are a diverse mix – from the importance of senior management buy-in, to dire warnings about the dangers of getting over-excited about social media.

What changes would you make?

"If money was no object we'd use blogs and SMS messaging."

"Mobile device connectivity to allow employees to be reached via electronic channels."

"Introduce and enforce a proper communications matrix of who does what and when to avoid the messy overlap and duplication that occurs when you have a global company with country as well as business unit structures."

"A more extensive and compulsory course of manager communications training – that can often be where the blockage is."

"Increase the numbers of computers at manufacturing sites, and develop an app to allow employees to access the intranet from their mobile telephones."

"Drive genuine dialogue."

"Continued recruitment and development of managers as conduits for internal communications."

If you had one piece of advice?

Wake up managers to their employee engagement responsibilities. That is the "Key to success – get them working on your side and you've cracked it. Training is a key means of achieving this."

"Ignore the title internal communications/employee engagement. Think of yourself as business communications and then add value by really understanding business and by acting as the voice of 50,000 people who probably have a view on the company and deserve their voices to be heard. In turn, represent those views to senior management as 'the voice of reason' telling them what people really think, rather than what the leadership would like them to think."

"There is much that internal comms can adopt and replicate from PR – applying the same practices with internal audiences as you would with external ones, such as focusing on your messages and segmenting your audience."

"Listen to your audience – and understand it in a very deep way".

"Ensure that you have the power of decision making and governance of collective channels. Get tighter control of countries, category managers, local managers and ensure a greater co-ordination between their message distribution – try to avoid six people following up the same message in their own ways."



About Open Road

Open Road is an award-winning corporate communications and public affairs agency. We have grown rapidly and work for some of the world's leading brands because we deliver exceptional results for our clients.

In 2011 we were named one of the top five Medium-Sized Consultancies by PR Week and one of the best agencies to work for by PA News. We were Consultancy of the Year at the Public Affairs News Awards in 2010.

Our core services include:

- Corporate reputation management
- Corporate public relations
- Issue and crisis management
- Digital and social media engagement
- Public affairs
- Employee engagement
- Healthcare public affairs
- Corporate responsibility

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