

Making it count

The strategic value and effectiveness of internal communication



Contents

01

Foreword:
Jenni Field,
Chair, CIPR Inside

02

Executive
summary

05

**Research report
and findings**
The place and value of
internal communication

14

**Research report
and findings**
Perception: what is
internal communication?

22

**Research report
and findings**
Driving performance
and productivity

30

**Research report
and findings**
Making an impact:
what good looks like

37

Acknowledgements



Foreword



In recent years, we have seen internal communication mature as a specialist discipline within the broader communication function. For many it is a standalone function, while for others it sits quietly in HR or Marketing buried in the layers of the hierarchy.

The voice of the internal communicator has been growing louder within the communication space. With conferences to allow discussion and debate, in 2009 a change in name from Communicators in Business to the Institute of Internal Communication signalled the growing importance of internal communication. Also, with the sector group Inside within CIPR increasing in membership year on year, there are more of us taking our profession seriously.

But as we sit amongst ourselves discussing the importance of what we do, little research has been done to understand what business leaders think about it. What do they see as the value of internal communication and how can it influence the commercial success of the organisation? This report is the start of a new conversation – a conversation that needs to see us move from discussions between ourselves, to discussions with the leaders of the organisations we serve. If we want to have conversations at a senior level and be part of the discussion when it comes to the overall communication strategy, what do we need to do?

Examining research conducted by industry experts such as VMA Group and Dr Kevin Ruck, CIPR Inside has been able to create a report that combines insights and opinions about the world of internal communication, allowing us for the first time to have a meaningful conversation about what we should be focusing on to demonstrate our value to our leaders.

A handwritten signature in black ink, appearing to read 'J Field'.

Jenni Field
Chair, CIPR Inside
@mrsjennifield

Executive summary

"The importance of internal communication cannot be underestimated; it is one of the few roles that touches all areas of the organisation. It is within its gift to clearly interpret and share priorities to the wide range of internal audiences effectively. A possible gap involves the level of engagement with senior leadership to work with internal communicators at a strategic level."

Jenni Field, Chair, CIPR Inside

CIPR Inside, the internal communication group of the Chartered Institute of Public Relations (CIPR), decided to use this as a starting point to develop insight into the industry. In its role to promote best practice and enhance the profession, it is committed to providing insight and data on relevant topics that can help us develop as a group of practitioners.

We felt that one of the challenges faced by the industry was how we build effective relationships with the leaders and key decision makers in the organisations we support. From experience, we know that internal communication is a powerful function when utilised properly. But many of those we support do not understand the function, the impact it can have on the organisation and the value it can add.

To investigate the value and effectiveness of internal communication, we arranged a number of interviews with the most senior people in the organisation to explore the following themes:

- How we can influence leadership to fully embrace strategic internal communication and its benefits
- What leaders understand the strategic value of internal communication to be and how best to use it
- A look at the impact good internal communication can have on the bottom line and how we can help organisations achieve priorities and commercial objectives.

In addition to the interviews, we thought it would add value to find out what internal communication (IC) practitioners thought about these themes and our value, and then to identify any gaps in understanding and practice.

The main objective was to explore how we can influence and shift perceptions on the role and value of internal communication and remove any ambiguity.

About the data

Initially we planned to conduct face to face interviews with 40 CEOs, including four main questions reflecting the themes featured in this report. However, we found it challenging to identify the full sample for varying reasons, including access to CEOs. The research was planned to be informal and direct, taking into consideration the limitations on time. We wanted the CEOs to openly share their general thoughts and experiences, beyond their current organisations.

We therefore conducted 14 interviews with CEOs from various industries and surveyed our peers, IC practitioners (89 respondents), with a similar set of questions to get a sense of their thoughts on the function and where we are in terms of the value we add.

Based on the level of respondents, the views from CEOs and IC practitioners cannot be generalised. The interviews and survey responses do provide a solid start for us to research into the topic and gave us a lot of good food for thought for further discussion. The challenges point to the wider level of interest in internal communication from leadership, although it should be noted that the CEOs we interviewed were very open to discussing internal communication's value. They were also supportive of the industry and discipline and displayed a good level of understanding of the strategic role we play.

As a result, this report aims to bring a few key themes to light and share the thoughts and views of the CEOs we serve, and sets the scene for possible improvements we can make as practitioners.

Place, value and culture

Determining the place and value of internal communication started with a discussion on the most valued function within the organisation. This brought up a variety of comments indicating that CEOs did not really think about the organisation in those terms. It did, however, highlight the fact that internal communication was important and that the areas that generated profits had the most value. CEOs commented that internal communication as a function was strategic; however, examples given were mainly tactical.

Culture came up as an area that was impacted by internal communication as well as engagement. Overall, CEOs had a reasonable understanding of internal communication and valued the part it played.

Clarity on what internal communication does

The research showed that it was necessary to define internal communication for both CEOs and leadership, and the IC practitioner. It was interesting to note that when defining internal communication, many of the IC practitioners we surveyed used the terms 'internal communication' and 'employee engagement' interchangeably. Furthermore, the research highlighted the need for further discussion with CEOs and leadership teams – not only to better promote what we do and the value we add, but to provide clarity on the importance of the function. Another key finding from the views of CEOs was that IC practitioners were the custodians of translating strategy, company values and priorities.

Measurement and data address value in productivity and performance

Increasing productivity and improving performance can be linked to an engaged workforce. We heard from CEOs and IC practitioners who agreed with this statement, although there was consensus that it was difficult to prove through metrics. Developing ways to measure planned activities and present meaningful data is therefore a requirement to address the question about proving the value of internal communication. Credibility issues would be improved if we develop ways to share evidence of the effectiveness of communication, since there is a strong focus from leadership on performance and targets.

Experiencing good internal communication

Both CEOs and IC practitioners were able to provide examples where the organisation was impacted by 'good' communication. However, responses did highlight the need to develop more ways for employees to have a voice, and for CEOs to understand the importance of this as we deliver programmes and activities.

The whole exercise gave us the opportunity to talk directly to CEOs. In some ways, this type of research has opened the door for us to explore other areas. Rather than only gaining insight, having the opportunity to speak to the leaders we serve was of great benefit.

The place and value of internal communication



The place and value of internal communication

CEOs and IC practitioners were asked which department within the organisation they most valued. They were then asked to rate internal communication in light of their response on a scale of one to ten. Although the responses were varied, the majority of CEOs identified operational or sales departments as most important. However, all felt that the internal communication function was important and necessary to achieve success for these areas and the organisation as a whole.

"I think internal communication is very important. It's a key element for making sure people know what's going on. They often have belief in the organisation, and above all else you want people to feel good. I think belief is a function of communication, it's an environment you create around the team that ultimately drives that and it can manifest itself in different ways. They can believe in each other as a team or a unit, they can believe in the future direction or they believe in what success means for them personally." CEO, Technology

Some CEOs saw communication as an organic function in the organisation, claiming that while it was a business department, it was also an integral part of their culture. Regardless of whether the organisation had a formal internal communication function or not, there was a general acknowledgment that whatever form it took, it was valued and its importance recognised.


"Internal communication is extremely important. I would say it's right up there and would rate it at a nine or ten, because if you don't communicate effectively with your people and don't provide a clear and concise message, and let them understand what's going on, you're probably going to have a dysfunctional organisation." Chairman, Technology

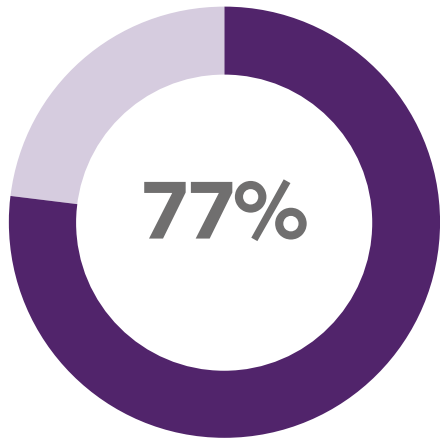


"It's a key element for making sure people know what's going on. They often have belief in the organisation, and above all else you want people to feel good."
Chairman, Technology

On rating internal communication:

"I think it's extremely important, it's right up in the high nine and ten level, because if you don't communicate effectively with your people, you're probably going to have a dysfunctional organisation."





of practitioners felt that CEOs and MDs truly valued the function of internal communication.

VMA Group report

VMA Group's report *Beyond Communications* stated: "Modern CEOs no longer need to be sold on the idea of good communication's value. Better than anyone else they know that nowadays their entire business is communication", recognising that it is an important function to safeguard their reputation, effect change and better harness the digital landscape.

"Because it's something we are aware of as being important, it's not something we have as an individual entity – it's just something that pervades everything else."

CEO, Media

In VMA Group's *Inside Insight 2017* report, 77 per cent of practitioners felt that CEOs and MDs truly valued the function of internal communication – it explains: "The profession is going from strength to strength and it is brilliant to see that the value is now absolutely being recognised at executive level."

Statements such as these, found in recent external research, align to the responses received from the CEOs interviewed. Things are changing and the data confirms an increased level of recognition of the value of internal communication.

Rating internal communication against other functions in the organisation

From the responses given by IC practitioners, it was clear that higher importance was placed on the functions that reflected the main product or service of the organisation, the area generating the most profit – for example, in construction that is building and operations, while in retail, gaming or technology it is all about sales and business development. The CEO responses acknowledged this but their views were mixed. Some felt that a more holistic view was needed – they felt that all areas within the organisation were of equal value.

“Because it’s something we are aware of as being important, it’s not something we have as an individual entity – it’s just something that pervades everything else. So, there is a lot of internal communication that happens just because that’s how we work. It’s important, but we probably don’t give it nearly as much attention as product development.” CEO, Media

“I don’t think there is a most valuable function. I think the whole point of a good company is that all the functions work in context in some way and have a different part to play.” Chairman, Technology

IC practitioners identified the most valued functions within the organisation as operations, communication, sales and business development, research and human resources. They unsurprisingly rated internal communication highly, with an average score of nine out of ten. This was especially evident from those who worked in the public sector. One person explained that “without communication, an organisation cannot function”.

CEOs’ views were similar: “...it is crucial, if you get that wrong, then the whole thing can fall flat on its face, so I would say internal communication is right up there in the eights or nines.”

“I think internal communication [rates] probably around six or seven, but that’s in the view that it should not be viewed as a function, it should actually be a way of working, therefore it’s less about roles and people driving it and more about having an internal communication strategy that all the leaders and all the managers are part of.” Deputy CEO, Aviation

It is interesting to note that most CEOs rated internal communication at less than eight, when you would expect that all CEOs would at least rate it as nine. Despite this, their comments did confirm that the function holds a significant position within the organisation and is increasingly seen as adding value.

Impacting organisational culture

Another key discovery from our discussions with CEOs was how they viewed internal communication as a key function that supports culture within the organisation. Culture has not been an area of focus for internal communication, as it has traditionally been a by-product of the work. However, this research showed that CEOs thought it should form part of an internal communication strategy. It supports the CEOs' perceptions that the function is intrinsic to the organisation and that it plays a significant role in maintaining and promoting culture.

Vital to this was the delivery of communication and the development of messaging consistent with company culture. Internal communication was seen as a function that was relied upon to ensure that employees understood the culture, vision, goals and aspirations of the organisation. Also, by keeping people focused, productive and happy at work, high levels of performance were achieved. It was interesting to note that only a few of the IC practitioners surveyed saw culture as part of what they influenced within their role. However, CEOs indicated that this was very important to them and it demonstrated the impact the function could have on this area. This aligned with comments that said internal communication was more about a way of working across the whole organisation, rather than just a business function. It is therefore important that we acknowledge that there is an expectation that we can impact this area and add real value.

While it is encouraging that CEOs seem to understand the support and impact internal communication has on culture, there were still issues with their perception of the role. Many of their examples highlighted the fact that internal communication teams were mainly required to focus on the tactical job of broadcasting messages, rather than the strategic job of shaping those messages.

"It's important that you [internal communication] help me to get that messaging out to the people, which is also part of overall retention, motivation, understanding, it's building our...culture...openness and communication, collaboration, and everything else we try do with the culture we're trying to build here." Senior VP, Technology

Culture was seen as something that should start with leadership demonstrating what it should look like. CEOs also said it should become a way of being.

"It's all about the people. The industry, will stand or fall based on the culture. In many respects, culture comes from the top." CEO, Construction

Value and importance

The survey highlighted that there is a perception among internal communicators that they are not being taken seriously. They believe that they need a seat in the boardroom to be effective and that the profession is treated as a poor relation to other communication disciplines such as public relations or marketing. In varying degrees, these views align with what we have been hearing as challenges from our peers for a number of years now.

When asked what strategic communication looked like, one IC practitioner said: "It's being involved at board level and inputting to the organisation's strategy so that internal communication and employee engagement are a consideration at every step of the way."

CEOs said they could see the specific value of internal communication as an area that supported and advised leadership, with their ability to interpret strategy, vision and values and share these key messages to all employees. There was no reference to there being a need for it to be included at board level. Some interviewees did, however, feel their internal communication leads had the right level of access to the board.

These views suggest that there is a gap in understanding that could impact how internal communication operates at a strategic level. Views shared throughout the research showed that perhaps a seat at the table is not necessary to consistently make an impact and deliver good internal communication. In fact, this is happening despite the function's absence in the boardroom.

"It's all about the people. The industry, will stand or fall based on the culture. In many respects, culture comes from the top."
CEO, Construction

Using internal communication to support the external messaging in the community to achieve his prevention and protection services was key for one of the CEOs; he said: "Internal communication is equally valid in communicating an understanding of what the priorities are and engaging our staff to ensure they are as effective as they can be in delivering those public facing services."

"Internal communication should be pervasive across what we do. I think that's something that is often missed. It isn't a single vehicle, it's not a single document you send – it has to be right across all your activities – a framework that defines how we interact with all our employees."
CEO, Technology

"Internal communication is critical. With a business like ours that doesn't actually manufacture anything, the engagement of those people and the clarity and the direction those people need to be able to really impact on the performance of the business is driven by internal communication. That is absolutely key and directly connected to us delivering our strategy and our promises to our shareholders in the market. I genuinely believe if you can't communicate throughout your business and can't get your people engaged and going in the same direction, your business will be impacted negatively." CEO, Education

But as mentioned earlier, IC practitioners had strong views about importance and value. Although they recognised the critical role, they still felt undervalued and in some cases, underutilised with a focus on tactical implementation rather than the strategic value they can add.

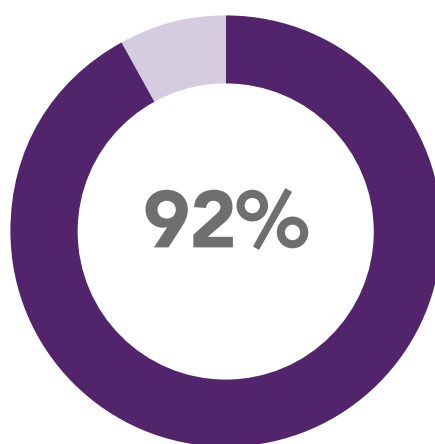
“Practitioners should be part of the strategic decision making and ensure they help colleagues to understand the nuanced differences and similarities between leadership and internal communication.”
IC practitioner

“Internal communication should not be afraid to measure, be accountable and to shout about its ability to contribute overall.” IC practitioner

“It’s hard to get senior leaders past the sending out stuff mind set, so a persistent focus on why, the problem you’re trying to solve, how you’ll know you’ve solved it and how you will show communication’s contribution to doing that is critical.” IC practitioner

It is reassuring to acknowledge things are changing and practitioners are seeing a difference. In VMA Group’s *Inside Insight 2017 report*, 92 per cent of senior leadership either understand, are on board with or appreciate the importance of internal communication.

“Although arguably still in its infancy as a function, internal communicators are increasingly being seen as a key player at the table and an important element to achieving a business’ strategy.” IC practitioner



**of senior leadership
either understand,
are on board with
or appreciate the
importance of internal
communication.**

VMA Group report

References within this section:

- VMA Group, *Beyond Communications – A CEO perspective of reputation and leadership*, 2016
- VMA Group, *Inside Insight 2017 report*

Key findings



Culture plays a big part in the work and function of internal communication – it has an impact on how our value is perceived.



Although the profit making and operational sides of the business are a priority, internal communication is critical to the success of the business.



Internal communication is viewed as more than just a role or function; it is seen as a way of working, and this perspective is important for it to work strategically with leadership.



For the most part, we have the trust of leadership to develop messages and programmes that align with the vision, values and strategic goals of the company.



The most senior people in the organisation understand the importance and value of internal communication and the difference it can make to achieving success.



Things are moving in the right direction with CEOs and senior leaders expressing a greater understanding and appreciation of internal communication.

Perception: what is internal communication?



Perception: what is internal communication?

"Internal communication is communicating strategy, communicating key actions, communicating culture change. So basically, in a way it's the glue that holds the organisation together." Global CEO, Hospitality

Defining internal communication

In addition to understanding how internal communication is perceived by leadership and practitioners, and the value the discipline adds to the organisation, it was also important to explore its definition.

If a profession and its function is not understood, it is hard to fully utilise it and gain the best value. So, in terms of internal communication, if leadership view it as a tactical function, it will never be expected to support strategy.

The CEOs told us the function worked with them to engage employees and stakeholders, enabling company priorities and purpose to be at the forefront of people's minds. IC practitioners provided a more holistic definition, although some confused internal communication and employee engagement. There are two observations from responses to this question. Firstly, there seemed to be a disconnect on how the profession viewed itself. Secondly, while CEOs demonstrated an understanding of internal communication's strategic role, many of the responses throughout the interviews focused on the tactical.

"As a function, its role is to curate, enable, and advise on best practice for organisations to communicate effectively, efficiently and in an engaging way."

Jenni Field, Chair, CIPR Inside

So, what is internal communication?

The official definitions taken from industry experts include:

"The strategic management of interactions and relationships between stakeholders within organisations across a number of interrelated dimensions..."
Mary Welch and Paul R. Jackson, 'Rethinking internal communication: a stakeholder approach', *Corporate Communications*, 2007: 12(2):177–198

"Corporate information provided to employees that is also tailored to specific internal stakeholder groups (middle managers, line managers, functional and project teams, and peer groups) combined with the concurrent facilitation of employee voice that is treated seriously by all managers."
Ed. Dr Kevin Ruck, *Exploring Internal Communication*, Gower, 2015

CIPR Inside Chair, Jenni Field, shared her definition: "Internal communication includes everything that gets said and shared inside of an organisation. As a function, its role is to curate, enable, and advise on best practice for organisations to communicate effectively, efficiently and in an engaging way." She added that the definition has developed and changed over the past decade.

"It's everything that you are targeting to engage your people and to keep them connected and communicating, that is, anything from the strategy to updates on facilities. I wouldn't necessarily differentiate from anything in communication – if you're in a relationship you have to communicate at multiple levels, so I think it really should be and is every bit as important to communicate to your employees and your people as it is to communicate with your investors or your analysts or whatever. I think it's all forms and all levels of communicating within the organisation, really."

Chairman, Technology

"It's a challenging question because internal communication touches absolutely everything that we are trying to achieve. It facilitates our strategy, how people feel about us, the culture and ultimately the productivity of the entire organisation. So if we get it wrong, we end up with the wrong level of engagement, we end up with the wrong attitude of our staff, and the wrong culture. We effectively undermine our ability to make people safe."

CEO, Emergency services

"Humanising corporate communication and making the senior team more accessible and approachable."

IC practitioner

"Humanising corporate communication and making the senior team more accessible and approachable. Enabling authentic channels for feedback to flourish and help deliver work enhancements that make staff members want to stay, thrive and be proud of their involvement in the organisation."


IC practitioner

"A critical and strategic function that supports and advises leadership/ organisations on how best to communicate/share information and engage employees at all levels. It includes expertise in preparing the right messages presented in the right media to reach and engage the various audiences." IC practitioner

CEOs had a clear view of internal communication and its role in broadcasting strategy, priorities and the things they wanted to share with employees. Very few highlighted the need for communication to be a two-way process; however, almost all IC practitioners mentioned it as important.

"It's my vehicle for getting critical messages from leadership out to the team. Then it's our internal messaging, you know: what is the culture? It's the collaboration, it's the information flow, what capabilities do we have out there?" Senior VP, Technology

“The way we connect people within organisations – connect them with our strategy, with news and information and with each other. It’s not only broadcast communication, but also driving employee voice.”

A decorative white line graphic consisting of a horizontal line that extends from the left edge, then drops vertically, and finally extends horizontally again to the right edge.

"It is translating what the company's goals are into something that someone at store level can find meaningful and relate to in terms of what their day to day contribution is. To me that was always critical because if you didn't get the communication cascade right down to store level you would fail in whatever objective you were trying to achieve." Global CEO, Hospitality

"The way we connect people within organisations – connect them with our strategy, with news and information and with each other. It's not only broadcast communication, but also driving employee voice and facilitating across an organisation." IC practitioner

"We enable people to understand where they fit into the behemoth of the business and to feel they make a difference and matter. This is through practical sharing of information and enabling two-way conversations so there's dialogue and negotiation between people who run the business and people who work on the front line. It enables strategy to work on the ground and get to where everyone or most people want to go." IC practitioner

As mentioned above, although it was not an area of focus for most CEOs, a few did acknowledge that enabling dialogue was key – that it was important to have a two-way process in place not only to share messages but to listen to employees.

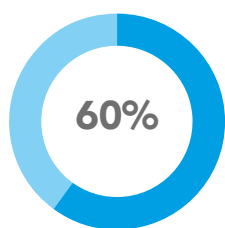
"I think it is making sure people are talking to each other within the company so there is communication going on between the staff and I think a big part of that is communicating down from the top and also communicating up from the bottom." CEO, Media

"First of all, it is a two-way process, the process by which everybody in the company understands what we are trying to achieve, and what role they play within that, but it is also a process where they are able to feed back to their managers and back up to the board of directors where they don't think something is going to work, or they see an opportunity that we haven't recognised." CFO, Travel

Clarifying the role of internal communication

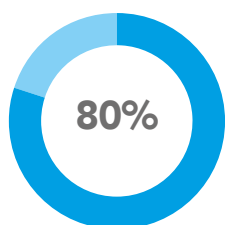
To ensure we are delivering good communication and being effective, it is imperative that we have a consistent definition. From the survey of IC practitioners, there was a level of confusion about what the role does, as the terms 'internal communication' and 'employee engagement' were used interchangeably.

This highlights a need for the industry and IC practitioners to identify a clear purpose and explanation for internal communication. This would not be an easy task. Two of the challenges that might prevent IC practitioners from agreeing on a definition are the number of tasks or focuses of their specific internal communication role and where they sit in the function. Based on what we know from senior practitioners, perhaps it should fall on the individual communication function within each organisation to define itself and set its own objectives, following this up by making sure that all practitioners and stakeholders understand what is involved.



of IC professionals either agree or strongly agree that the function's influence in their business will increase next year.

VMA Group report



expect that businesses' demand for the function will follow suit and increase.

VMA Group report

Employee engagement is one of the by-products of good internal communication. It thrives within an organisation where leadership acknowledge its importance at a strategic level and actively seek to embed it through all aspects of their operation. According to Engage for Success, employee engagement is a workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success, and able at the same time to enhance their own sense of well-being.

Not everything involved in internal communication leads to employee engagement, but it does play an important role in its delivery.

Overall, the priority here is to be clear on the profession's role and effectiveness within the organisation and share a consistent view to meet expectations and see results.

CEO expectations

The interviews and survey showed that internal communication was seen as an important function and that good delivery of communication was critical for success. CEOs had a very clear idea of what they wanted from the function and comments were generally very positive. However, as mentioned earlier, CEOs were focused on tactical delivery, their expectations were limited to broadcasting messages and they seemed to ignore employee voice.

A big part of the success of internal communication is the support it receives from leadership, stakeholders and its peers. Understanding the function and ensuring a level of advocacy will only help it to achieve more. It is encouraging that recent statistics are showing that things are moving in the right direction.

VMA Group's *Inside Insight 2017* report said: "Nearly 60 per cent of professionals either agree or strongly agree that the function's influence in their business will increase next year...[Also,] over 80 per cent of professionals expect that businesses' demand for the function will follow suit and increase."

Some of the direct comments outlining what is expected from internal communication are listed below:

It needs to get it right every time:

"Internal communication should never, ever set the culture backwards, you should never get it wrong, and at worst it should hold the line. At best, it enhances people feeling the culture and having pride, the engagement and all the things we measure through our performance." CEO, Construction

It is a key enabler for engagement:

"It is critical and a key enabler to engaging our people to be able to deliver our strategy." Chairman, Support services

It should set a framework for the culture of the organisation:

"I think ultimately internal communication's role is about generating culture. I think it is about that issue of what do you want to be the collective viewpoint. Once you have a collective viewpoint, you can have a common culture. From that it drives how people feel and how they feel defines what they do. Its role is to set the framework of culture – a vehicle that communicates your values and, if done properly, sets your values in a framework." CEO, Technology

It needs to be engaging:

"If I was to put it in simple terms, internal communication strategy and tools should really be the mechanisms and approach for winning the hearts and minds of all of our colleagues. What I mean by that is that is it's got a responsibility first and foremost to translate the business strategy and direction into something meaningful and succinct that people can understand. And in that way, that means that they are able to do their role effectively and in the right way to help organisational success. It also plays a critical role in acting in two-way communication in understanding what is important to colleagues and what the values are. In doing so it helps leaders and the organisation give the right offer to them and the right psychological contracts, and that for me is winning their hearts and motivational side because it really needs to be a two-way street."

Deputy CEO, Aviation

In presenting definitions on internal communication, IC practitioners indicated that high standards or effectiveness were expected. It is not always just a matter of delivering output, but it is about being strategic and impacting the organisation with good communication.

"Once you have a collective viewpoint, you can have a common culture. From that it drives how people feel and how they feel defines what they do."

CEO, Technology

"We enable high quality conversations, collaboration and engagement. We should be the eyes and ears of the senior team...the voice of the business, reporting back to senior leaders and helping them to get closer to front line employees." IC practitioner

"Internal communication helps consult, inform and engage all internal stakeholders and staff to enable a sense of cohesiveness, collaboration and cooperation across the whole organisation." IC practitioner

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- Mary Welch and Paul R. Jackson, 'Rethinking internal communication: a stakeholder approach', *Corporate Communications*, 2007: 12(2):177–198
- Engage for Success, 'What is Employee Engagement?' <http://engageforsuccess.org/what-is-employee-engagement>
- VMA Group, *Inside Insight 2017* report

Key findings



Senior leadership generally have a good understanding of internal communication and its value, although some viewed it as being about broadcasting and messaging with a lack of appreciation for employee voice.



Senior leadership require some education on employee voice and developing a culture of two-way communication throughout their organisation.



There is a need to clearly define internal communication and provide clarity on how it differs from employee engagement.



Clarity on the discipline, what it is and how best to work with internal communication requires more dialogue to ensure that leadership and IC practitioners can agree on deliverables.



Internal communicators are the custodians of translating strategy, company values and priorities so that everyone in the organisation understands what is important and the part they play.



It is important to understand the responsibility internal communication has to communicate the right messages, using channels that work for the audiences.

Driving performance and productivity



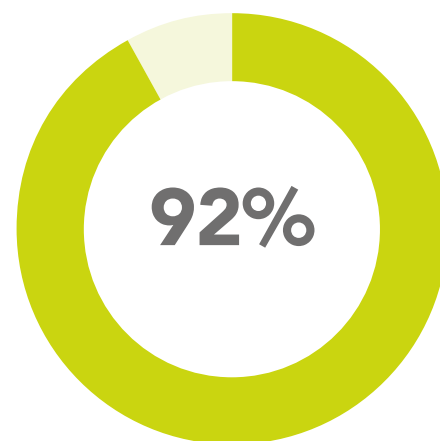
Driving performance and productivity

In 2012 Engage for Success published research confirming that improvements in performance and productivity were evident where an employee engagement strategy was in place. Although this is not an area of focus for this research, it has been discussed in previous sections that good internal communication has an impact and influences engagement. Engagement is a by-product of, and is enabled by, internal communication.

According to existing research and comments from the CEOs interviewed, engagement is important. Earlier in this report we confirmed that internal communication plays a key role in achieving engagement. For the profession, this presents an opportunity to further validate its purpose as one that can impact the bottom line. This would build credibility and raise the profile of internal communication in the eyes of CEOs and leadership teams. It would also demonstrate a higher level of business acumen that some believe is lacking among IC practitioners.

92 per cent of IC practitioners we surveyed agreed that internal communication could drive financial performance and team productivity. They also agreed it was difficult to prove.

"I believe it can drive financial performance and productivity. An engaged workforce is not only loyal, but more productive and focused on the organisation's goals." IC practitioner



of IC practitioners we surveyed agreed that internal communication could drive financial performance and team productivity.

Internal communication's impact on performance and productivity is therefore an important issue, and can only be quantified with data and meaningful measurement. A good place to start is to acknowledge its effectiveness and value, as we have seen through the comments from our CEOs. But the ultimate goal would be to demonstrate internal communication's effectiveness in improving the bottom line. The outcome for internal communicators could include things such as obtaining realistic budgets or gaining a stronger voice in shaping the organisation's strategy and culture.

As said, the CEOs we interviewed confirmed that internal communication did make an impact, although they consistently said that it would be difficult to prove through a metric or measure. They did, however, see where effective communication had made changes to employees' behaviour. It also ensured employees were informed and understood priorities, which resulted in them working more effectively.

"I think it's vital. I think if you have a team that's dysfunctional, doesn't communicate well, then you'll struggle to perform. You might have short-term performance but you'll never have long-term health and I think you need both in an organisation. I think the most productive teams are the teams that communicate best, have shared values and have each other's backs, so to speak, and you have to do that by communicating."

Chairman, Technology

Impacting the bottom line

“Being able to effectively communicate internally so our staff understand the drivers for change and the scale of the impact to avoid resistance to change. Otherwise you run the risk of having industrial unrest which can undermine your ability to deliver the change and therefore you fail in your attempt to deliver the financial sustainability of the organisation.”
CEO, Emergency services

In many cases financial performance can be indirectly attributed to the delivery of strategic internal communication. It can be hard for the interviewed CEOs to see the impact of communication activities because it becomes business as usual. It is perceived by the people we interviewed that much of the work of internal communication can lead to motivated employees and build advocacy and engagement. Through measurement it can be linked to higher levels of productivity. This ultimately leads to financial targets being met and higher levels of performance achieved.

“Without communication, without the team understanding, without the team giving birth to the ideas...leaders give direction but without things being built up from the grassroots, we are going nowhere.”

IC practitioner

“For us it is absolutely critical. We are a very small organisation, so there is really no room here for people not to know what we are trying to do. Without communication, without the team understanding, without the team giving birth to the ideas...leaders give direction but without things being built up from the grassroots, we are going nowhere. Even by updating systems and developments, it’s from the staff giving ideas for how we can improve.” CEO, Education

In some cases, the CEOs could see the link but would need a metric to truly attribute success to internal communication. One of the CEOs explained that an initiative to inform employees on the company’s priorities led to changed behaviour and financial improvements. Again, it was hard to directly link this outcome back to engagement achieved at the event.

“In terms of financial, it is extremely difficult to make a direct link. My gut feeling would be it’s extremely valuable and important. In terms of team efficiency, I think it’s easier to show the impacts there. It’s the simple things, like from when we started to run internal conferences, our inter-company trading went from something like £3m to approximately £30m. So, if you took an assumption, that would mean you achieved a ten per cent profit margin through engagement and facilitating collaboration. It’s certainly from having events like that that we’ve been able to generate that kind of working together. The events element is the engagement piece and it’s very effective.” CFO, Construction

“It’s hard to make a direct correlation, in truth, but if people know what they’re trying to do, if they have a purpose, then there have been many studies done that demonstrate that it improves productivity and things like retention.”

"If people are engaged, it means they are happy to come to work and happy to go the extra mile – they love the business and want it, and their careers, to succeed."
CEO, Construction

All the CEOs interviewed expressed concern around not communicating key messages and purpose to employees. They believed that if employees did not understand the priorities and where the organisation was headed, they were less motivated and less effective. And this was also important in terms of change and employee retention. Through internal programmes and campaigns, we see better levels of success where employees understand and can contribute or feel their voices have been heard.

"We need to leverage those vehicles to motivate and retain our employees. The financial impact is, if I don't leverage those tools, then I get demotivated employees, and those demotivated employees quit, which could cause programme impact, or the worst case is I have to replace them. So, there is a financial impact around not leveraging communication for the health and morale of your team, which can be directly attributed to your attrition rate, which is directly linked to your financial performance."
Senior VP, Technology

"It depends on what you say in your internal communication: if you're very focused on your financial targets and revisit how you did, then I think it can be quite meaningful. In my experience, when we would set out targets and communicate what we wanted to tangibly achieve, then it was powerful, because people had a target to go for." Global CEO, Hospitality

"Yes, when an employee is happy, takes pride in his/her work and organisation, they're more likely to perform better and contribute towards the company's success." IC practitioner

Supporting engagement – productivity and performance

"If people are engaged, it means they are happy to come to work and happy to go the extra mile – they love the business and want it, and their careers, to succeed. So, financial performance comes from the engagement of the people. It is intrinsically linked." CEO, Construction

"Definitely, if you have a happy team communicating well it means you get things solved early which has a massive impact. You get people talking about ideas and concerns, get them to tell us now and we get things in the right direction and see a better end product." CEO, Media

Where it is difficult to gain data on productivity and performance, hearing from employees enables a qualitative level of measurement. The feedback element of communication – when included – is a powerful way of capturing employees' responses to information and how it affects the way they work. Based on the CEOs' understanding of how difficult it was to measure or create a metric, they did seem to accept that this was a way to confirm that communication made a difference, as we can see from comments made on how internal communication activities could impact outcome, performance and productivity.

"We think we are making an impact – I don't want to take that for granted. I want to test it and then use the outcomes of the assessment to shape the next part of the internal communication journey as we need to focus on outcomes and not outputs." CEO, Emergency services

"Hard to make a direct correlation, in truth, but if people know what they're trying to do, if they have a purpose, then there have been many studies done that demonstrate that it improves productivity and things like retention. I think good communication explains the purpose, explains the reasons we are doing things and why we want them done, and motivates and ideally inspires." CEO, Hospitality

"Internal communication gives us the ability to provide clear direction to allow our staff and teams to be fully engaged, which therefore impacts the financial performance and the general development of the business." Chairman, Support services

"Research and measurement is the Achilles' heel of internal communication practice."

Dr Kevin Ruck, PR Academy

On measurement

CIPR Inside's strategy regarding measurement sets out to establish the value of practice for organisational reputation and success. It generates insights that inform professional practice and supports insightful business decisions. It checks progress against plans and assesses overall efficacy.

In the VMA Group report *Beyond Communications*, a key finding explained that although the value of communication as a central business operation is implicitly accepted by CEOs, many communication directors still need to make a more convincing return on investment case for the impact of their own work.

"My CEO held weekly performance meetings with all his heads of departments. They went around the room talking through targets that teams had met and discussed those that were missed. The CEO included internal communication, not just to capture the positive stories, but also to report on the impact of communication initiatives implemented, its successes and pre-agreed targets that were achieved. This put an onus on internal communication to present meaningful measurement and to find ways to demonstrate its effectiveness." IC practitioner

A number of the themes within this report talk about the need to validate internal communication and to receive recognition for the impact it can have. To achieve this, measurement in the form of meaningful data is important – it is the language CEOs and business leaders understand and respond to.

A number of tools have been introduced to support IC practitioners to include measurement as part of internal communication strategy.

Dr Kevin Ruck, PR Academy, said: “Without research, internal communication practitioners are effectively working blindfold. You cannot begin to measure internal communication unless you conduct research to set measurable communication objectives which then form the basis for assessing impact. Research and measurement is the Achilles’ heel of internal communication practice.”

Through Kevin’s research and work, he has developed a tool using four enablers forming the basis of a way to measure internal communication which can be found on CIPR Inside’s website article ‘Top Tips: internal communication measurement’. In addition, we have seen more and more experts in internal communication coming forward with a variety of models of measurement. CIPR and the International Association for the Measurement and Evaluation of Communication (AMEC) work together on the measurement of PR and communication activity and, as a result, some elements of the framework can be adapted for internal communication.

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Key findings



The perception is that there is a link between good internal communication and the level of financial performance and productivity achieved.



There was acknowledgement that it was hard to measure effectiveness of internal communication as a main factor that contributes to engagement and culture.



There is a requirement to identify ways to measure effectiveness and results against the bottom line.



More data on the impact of internal communication would be an asset to further developing the area as a strategic function.



Evidence of effectiveness and impact would improve internal communication's credibility within an organisation, since leadership teams generally focus on performance and productivity targets.



Improving our credibility through proof of the return on investment in internal communication would be important to progress the profession.

Making an impact: what good looks like



Making an impact: what good looks like

"For me there are lots of good examples of good internal communication within our organisation and the fact that it is seen as a critical function and that it's well aligned to the people agenda is important." CEO, Technology

As IC practitioners, the outcome of our work is important to us. A lot of effort is made to ensure that every part of the process, from the strategy to delivering the communication plan, is done to the highest possible standard. Messages need to be engaging and solutions impactful for the intended audience. Performance and delivery are big components of the role and how internal communication works to add value.

It can be difficult to know what CEOs and members of the leadership team really think of the work delivered. Often, things move at a very fast pace and priorities quickly shift on to the next programme or issue. From the CEOs interviewed, we were encouraged to see many positive comments on what good looks like. They cited aspects of programmes that really worked for them. In most cases, they indicated an understanding of the challenges faced based on what was happening in the organisation at any given time.

"I think the best examples of internal communication are when people are in difficult times." Chairman, Technology

"The approach we took engaged staff and their representatives – it was more open, honest, transparent and authentic. We avoided the opportunity to spin and were open about mistakes."

CEO, Emergency services

A number of the CEOs focused on a specific campaign or programme, especially those supporting organisational change or a crisis. But as discussed earlier in this report, where we saw mixed views on the definition of internal communication, the thoughts around what good looks like were varied. This was influenced by the individual's views, the projects delivered, the priorities and type of the organisation. In one case, a CEO explained that having to deal with a global audience made it difficult to identify what good looked like. Messages had to be delivered in a generic way so all understood the intent, but the challenge was in making it specific to the global audience so employees could see how they all fit in.

"I'd say it was successful because everyone knew exactly where they stood, what they had achieved and that their performance was recognised among their peers."

Global CEO,
Hospitality

"The one I'd mention as the most effective over the last 18 months is the way we engaged our teams internally by building a narrative for change within an environment that was heavily unionised. The approach we took engaged staff and their representatives – it was more open, honest, transparent and authentic. We avoided the opportunity to spin and were open about mistakes. I think our internal communication will be effective going forward." CEO, Emergency services

Many felt that, as their organisations grew, messages changed and as a result it was more difficult to reach audiences. One CEO explained that by keeping messages simple, having a lower number of themes and using strong techniques for delivery, better outcomes were achieved. This included getting the same messages out using multiple channels to reach all employees. So, for IC practitioners, planning, a clear objective and cooperation from leadership were key, ensuring the right level of delivery, tone and style aligned to the organisation. Although CEOs and leadership might not always know the details of how we arrive at delivery, the outcome is really important to them. Their perception of our value can be affected and shaped by the success of the programmes and campaigns we propose and deliver.

"Sharing our annual commercial plan by cascade to everyone, saying this is what we intend on achieving. You have to keep reminding them of what the plan is and telling them where they are in the plan and what they are going to do this month to achieve the plan and then telling them what they did – it's pretty basic – but it's only successful if you keep on that cycle. I'd say it was successful because everyone knew exactly where they stood, what they had achieved and that their performance was recognised among their peers." Global CEO, Hospitality

"Promoting the strategy and plan by video, in-person presentations and then email and print. These were well received and we've had a lot of good comments – people still ask questions on it. At the end of the day it was about getting the message out to the team. We also do a regular email to all employees – so people know we're thinking about them on a fortnightly basis." Senior VP, Technology

Bridging gaps with dialogue

Throughout the process of this research, engaging leadership and gaining their views was greatly beneficial. It was a very positive way to capture and understand the perceptions that CEOs and IC practitioners held regarding the profession.

A refreshing outcome was that CEOs were open to sharing their views on internal communication, considering the perception that we are not being valued. It is therefore important that we continue to identify ways in which we can regularly connect with our CEOs and leadership teams to gain feedback on our effectiveness. It would enable us to better align activities to the strategic goals of the organisation.

"Working closely with the CEO, define a way of communicating our strategy to all staff regardless of their job titles and ensure they understand clearly their contribution to achieving our goals." IC practitioner

“Working closely with the CEO, define a way of communicating our strategy to all staff regardless of their job titles and ensure they understand clearly their contribution to achieving our goals.”

A decorative white line graphic consisting of a horizontal line that extends across the width of the text, followed by a downward-pointing chevron shape.

"Working for a newly acquired part of the organisation, I was able to support the director in charge of resetting the organisation's strategy, plan and priorities. It meant that the key elements took the audience into account and the approach presented was more engaging to clearly communicate what was important to every member of staff. Through this we were able to frame a strategic plan that meant something to employees and helped them identify their role in achieving success." IC practitioner

There are more opportunities for internal communication to provide senior level support:

"I think it's like anything, you have to know your audience so a good communication department has to be intrinsically linked to the strategy of the business, they need to understand what the strategy is, what the key communities are and then what, how and when they need to communicate with those communities." CEO, Hospitality

"We use internal communication as an enabler and a tool to ensure we can communicate with the broader business, so that's where the initial ownership starts, but we all have a responsibility to ensure we're cascading messages and communicating messages with our teams at all levels so you do get to the point where it's everyone's responsibility, but it needs to start with leadership." Chairman, Support services

"I think it's like anything, you have to know your audience so a good communication department has to be intrinsically linked to the strategy of the business, they need to understand what the strategy is."
CEO, Hospitality

The importance of giving employees a voice

Creating a two-way process for communication or giving employees a voice has been mentioned previously. There was concern from CEOs around the clarity of messaging to ensure that everyone in the organisation knows what they are trying to achieve. Fewer comments highlighted the need to receive communication upwards from employees. In terms of measurement, enabling employee voice is one of the components used to gauge effectiveness in communication. Some of the comments here included programmes that were successful due to employee input. So, while there is more to achieve in this area, to a certain extent it is being recognised.

"The WebEx call and communication around Brexit was truthfully saying that we didn't have an awful lot to say. I think it's much better to communicate and tell employees that you are aware of things and you're trying to look after their interests, you have opportunities to share the views of the company and to get people's perspectives over. I think by having the WebEx and the subsequent communication, we've done that. This is a good example of something where you need to keep communicating, but it isn't necessarily something you've got all the answer to." Chairman, Technology

On realising, from a survey, that they were missing opportunities by not creating a way to communicate what other areas of the business were doing, one CEO said: “We were missing out on a whole bunch of initiatives and creative thinking in the business that we weren’t capturing, but also people were going off and doing their own thing without really talking to the rest of the business about it. We weren’t able to capture best practice, but also if something had already failed somewhere else, we weren’t sharing that, so we were kind of repeating mistakes to a certain extent. Having a survey which triggered a new meeting structure was a massive improvement, as a result of having poor communication.” CFO, Travel

One IC practitioner said: “Once an organisation has achieved unlocking employee voice, the next challenge is helping leaders know what to do with this.”

“It’s about how you get it to pop. Can you put any reinforcement around it? Are there other things you can tie in? That’s when internal communication is right.”

CEO, Technology

More good examples of internal communication

“For me, I quite like the short video format, emphasis on the ‘short’. If you can put something over in a couple of minutes that keeps people engaged, you know you’ve got it right.” CEO, Technology

This CEO also noted that using humour or being quirky was also really effective and engaging to sometimes get serious content across. He said: “It’s about how you get it to pop. Can you put any reinforcement around it? Are there other things you can tie in? That’s when internal communication is right.”

Annual conferences were highlighted as successful internal communication by a number of our CEOs. They felt it was a strong way to convey strategic messages and engage employees. This ensured that key members of the organisation, i.e. managers, were clear on the priorities and it was a good example of ensuring there was consistency throughout all communication.

Company and country-wide roadshows also featured as positive for some as a way to get the leadership team out and meeting colleagues to directly share priorities, and engage people so that they can contribute.

Key findings



All CEOs could identify examples of 'good' communication and felt that they were able to communicate key messages and priorities to their organisations.



CEOs were aware of the importance of strategic communication that helped them achieve their business priorities by engaging teams.



Work being delivered was valued and in most cases CEOs expressed their appreciation for the communication support.



There was an acknowledgement of the challenges in communicating to larger audiences and getting it right.



There is a need for us to support CEOs to fully understand the importance of employee voice, and to incorporate methods in all that we do.



CEOs are open to dialogue with us and we need to act on this opportunity, and continue to create ways to encourage regular, direct conversations.

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For more information on CIPR Inside, the committee and our activities, please see our website:

www.ciprinside.co.uk/about-us



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