

Strategic Internal Communications: Boosting Corporate Culture, Productivity and Profitability



UK/EUROPE OFFICE

Ark Conferences Ltd
Paulton House
8 Shepherdess Walk
London N1 7LB
United Kingdom
Tel +44 (0)207 549 2500
Fax +44 (0)20 7324 2373
publishing@ark-group.com

NORTH AMERICA OFFICE

Ark Group Inc
4408 N. Rockwood Drive
Suite 150
Peoria IL 61614
United States
Tel +1 309 495 2853
Fax +1 309 495 2858
publishingna@ark-group.com

ASIA/PACIFIC OFFICE

Ark Group Australia Pty Ltd
Main Level
83 Walker Street
North Sydney NSW 2060
Australia
Tel +61 1300 550 662
Fax +61 1300 550 663
aga@arkgroupasia.com

Online bookshop
www.ark-group.com/bookshop

UK/Europe marketing enquiries
Robyn Macé
rmace@ark-group.com

ISBN: 978-1-908640-49-9 (hard copy)
978-1-908640-50-5 (PDF)

Editor
Evie Serventi
eserventi@ark-group.com

US marketing enquiries
Daniel Smallwood
dsmallwood@ark-group.com

Copyright
The copyright of all material appearing within this publication is reserved by the author and Ark Conferences 2012. It may not be reproduced, duplicated or copied by any means without the prior written consent of the publisher.

International reports publisher
Fiona Tucker
ftucker@ark-group.com

Asia/Pacific marketing enquiries
Steve Oesterreich
aga@arkgroupasia.com

ARK2184

Strategic Internal Communications: Boosting Corporate Culture, Productivity and Profitability

LEANNE MILLS AND SHIRLEY ANNE FORTINA



Contents

Executive summary.....	IX
About the authors	XI
Acknowledgements	XIII
Part One: Strategies for effective communications	
Chapter 1: Effective organisational communications	3
How communication can deliver the sweet spot.....	3
Communication has become a key organisational success factor	4
Communicating up, down and around the organisation	6
Chapter 2: Recognising distortion.....	11
Communication distortion	11
Inability to listen.....	12
Generational difference.....	12
Culture	13
Personality type.....	13
Power.....	14
Silos	15
Preference of communication modes	16
Gender.....	16
Change and communicating uncertainty.....	18
Communication overload or fatigue.....	20
Tips and tools: Forming good listening habits for effective face-to-face communication.....	21
Chapter 3: Leadership and the corporate compass for communication	25
Face-to-face communication still preferred.....	27
Storytelling – A powerful engagement tool	27
Timing of communications, trust and managing the ‘grapevine’.....	27
Balancing transparency and confidentiality.....	28
People Rich – Having authentic conversations	29
Framing – Maximise the impact of your message.....	30
Managers can become leaders – Helping middle managers with communication issues.....	31
Tips for leadership communication	32

Tips for middle management when delivering effective communication	33
In the spotlight 1: Hills Community Support Group (HCSG) – Transforming an organisation through transparency and trust	33
Chapter 4: Communication to support process improvement	39
Communication critical element of process change	39
Global communications at Ernst & Young	40
Cultivating process change through continuous improvement	40
Lean principles ‘The Toyota Way’	41
Actively engaging people through the value chain	43
In the spotlight 2: Miracle management – Reshaping through an organisational roadmap	46
Chapter 5: Communication across cultures and organisations	53
Cross-cultural communication	53
Training leaders and managers	54
Ten ways to manage communication with virtual international teams	56
The cost of cross-cultural training	57
In the spotlight 3: Cross cultural communication in M&A	58
Chapter 6: Technology – Enabling the process of collaboration	63
Bringing everyone along regardless of age	63
Sticking with what you know – The intranet	64
Providing opportunities for sharing dialogue	65
Collaborative tools helping organisations ‘stay connected’	66
Quick Q&A: Yammer rolled out to 2,000 in a national retail bank	68
Knowledge sharing through wikis	69
Security and risk of employee forums	70
The scone debate: Deloitte social media	70
The future	71
Chapter 7: Where people want to work and why	73
The financial benefits of being a ‘best employer’	73
Common themes of best employers	74
Engagement linked to productivity and profitability	75
Asking and acting – The employee engagement survey	77
Reward and recognition	78
In the spotlight 4: Mercedes-Benz USA	78
Chapter 8: The cost of getting communications wrong	81
Uncovering the cost of not investing in people	81
Budgets: Is there a magic number?	82
Failing cultures and toxic environments	83
‘You have to be joking’: The good, the bad and the ugly	87

Part Two: Expert views

Chapter 9: Making e-mail an effective tool	93
In conversation with – Jani Murphy, e-communications consultant, Email Smart.....	93
Jani Murphy’s top tips and tools for productive and effective communication via e-mail.....	97
Results from survey regarding e-mail use	97
Chapter 10: Telephone and etiquette – Old fashioned but still effective	101
In conversation with – Ava Lucanus, communication skills expert, Edge Communication.....	101
Ava Lucanus’s top telephone tips and tools.....	105
Chapter 11: Managing the internal conversation.....	107
In conversation with – David Ferrabee, director, Able and How	107
The Change Index tool.....	109
Communications as a dimension	110
Chapter 12: Creating effective internal communications.....	111
In conversation with – Howard Kraiss, director, global services communications, Ernst & Young Global Ltd	111
Four global audiences: Four different approaches to communications.....	111
The catalyst for planning	112
The communication planning process.....	112
Leadership and communications	113
Final thoughts.....	114
Howard Kraiss’s top tips to create effective internal communications	114
Chapter 13: Communicating change in business improvement projects	115
In conversation with – Lorena Paglia, strategy and change consultant, lvp.....	115
Implementing and communicating change.....	115
Business improvement projects.....	117
Lorena Paglia’s top-five tips for successfully communicating in change projects.....	119
Chapter 14: Internal alignment to brand matters	121
In conversation with – Bill Fellows, president, Top-of-Mind Branding	121
Thoughts from the authors and some survey results	123
Chapter 15: Vision and values	125
In conversation with – Todd Hutchison, CEO, People Rich (Asia Pacific) and Gary De Rodriguez, CEO, People Rich (USA)	125
Leadership: The three pillars	126
Work with managers for sustainable change	127
Adapting communication in a growing business	129
People and process.....	130

Technology.....	131
Top five tools and tips for effective internal communication	132
Part Three: Organisational communication – Survey results and analysis	
Chapter 16: Organisation Communications Survey	135
Survey objectives and methodology.....	135
Details of the survey sample	136
Survey analysis.....	137
People and process.....	137
Closing thoughts from the authors.....	152
Part Four: Case studies	
Case study 1: Government Employees Superannuation Board (GESB) – Instilling pride in a workplace of unsatisfied people.....	155
Situation analysis	155
Goals and objectives	156
Research and analysis	156
Communication strategy.....	157
Implementation.....	158
Results and ongoing measurement	159
Evaluation	161
Case study 2: ISA Group – Building trust in leadership after an organisational demerger.....	165
Issue 1: The road to an organisational demerger	165
Primary objectives	166
Implementation: Handling the sensitivities of an organisational demerger.....	167
Evaluation	167
Issue 2: Restructuring the organisation and managing change in a culturally sensitive way.....	168
Objectives	168
Implementation.....	169
Evaluation – Q&A with Noelene Merrey	171
Q&A with external consultant, Julie Hillier.....	172
Case study 3: WestJet – Empowering employees through an award winning corporate culture	173
Where people want to work.....	173
Communication + engagement = profitability.....	173
Communication tools.....	174
The power of social media	175
Productivity and teamwork	176

Two-way commitment.....	176
Cultural pride.....	177
Community engagement.....	178
Final thoughts from Richard Bartrem.....	178
Case study 4: The Salvation Army – ‘One Mission’ – knowledge sharing and collaboration to deliver one integrated mission plan.....	179
Challenges (external).....	179
Challenges (internal).....	180
Issues.....	180
Primary objectives.....	181
Secondary objectives.....	181
Implementation.....	181
Results.....	183
Case study 5: Brand One Group – Aligning internal and external communications.....	187
Issue: Strategically unaligned organisations.....	187
Implementation: Strategic realignment.....	188
Maryanne Fernando’s tips and tools for internal/external branding alignment.....	191
Afterword.....	193
Index.....	195

Executive summary

LEADERS IN business are slowly realising that effective communication is a key organisational success factor. Those who focus on improving employee engagement are increasingly benefiting from a workforce who are committed to the corporate culture and prepared to go above and beyond the basic requirements of their role. Employee engagement increases collaboration and can have a positive effect on organisational productivity and, subsequently drive greater profitability. According to Towers Watson, effective communication and financial performance are strongly related: companies that are highly effective at communication are 1.7 times as likely to outperform their peers.¹

This report examines the barriers to effective communications, and identifies where leaders and their organisations should focus their energies to develop effective strategies and employee engagement practices. Without these, companies risk losing talent to competitors that attract new staff through aggressive marketing of their employee value propositions. They also risk having misinformed employees making errors of judgement; silos and a silo mentality that reduces cohesion; ambiguity breeding opportunity for conflict; and dissatisfaction among employees contributing to a toxic and failing corporate culture.

It's important to get the basics right. The vision, mission and values of an organisation are the source of truth; all experts interviewed for this study agreed that business vision, value and mission are critical to a foundation

of communications that encourage desired behaviours and influence a corporate culture. Research conducted to support this study highlights the areas where employees feel their organisation's communications are not effective – and they see leaders and managers as those most responsible for the problems. One respondent's comment stands out as encapsulating the important essence of effective communication: "If you feel like you are being heard, you trust the management team and are more engaged. If they are communicating effectively with you then this also helps keep you engaged."

It's not just leaders who need to shift to a more communicative mind-set. The research throughout the report shows that middle managers lack the skills to translate the language of strategy into the language of action and can do more harm than good. Helping managers understand their responsibilities in delivering internal communication and providing them with the appropriate tools, will allow them to more effectively cascade information, foster two-way conversations, act on feedback, demonstrate role-modelling behaviours and essentially 'walk the talk'.

Communicating effectively is not a simple exercise; if it was, more organisations would get it right. Distortion affects the direction of information, how communication is received through a business and can be the catalyst for negative or badly timed messages, which affects productivity and, ultimately, the bottom line. This report

identifies how differences in gender, generations, personal communication styles, power, cross-cultural issues and the process of change are all distorting factors that affect the clarity of information that is received.

Different people communicate in different ways and have a preference for using different communication channels. With the mix of four generations represented in the workplace, organisations need to communicate through multiple channels to connect with everyone. The research shows that face-to-face is the most preferred medium because it improves the chances of communication being understood as it was meant. But it's getting harder to deliver face-to-face messages in organisations with an expanding global footprint. Technology can help. This report highlights how the increased use of employee forums and Web 2.0 social media tools are facilitating the creation of online communities and helping employees to engage with each other, wherever they are.

The more layers of management and processes the harder it is for communication to be effective. Process should be the organisational roadmap that assists people to navigate through the activities expected of them, and communication plays a critical role in removing confusion and frustration. It helps to empower people with guidelines and clear roles that are aligned to business goals and objectives. Effective communication around process helps employees understand how they can contribute to the vision of the business. By adopting some of the behaviour and communication principles shared in this report and attaching these to a value chain approach to managing process, organisations can improve efficiency, create better quality outcomes and realise financial returns.

Some organisations seem to be getting organisational communications right. They

celebrate their 'best employer' awards and use them to demonstrate their employee value propositions. This report highlights the common criteria behind Fortune's '100 Best Companies to Work For' and Aon Hewitt's 'Best Employer' awards and showcases how WestJet, a low cost Canadian airline has won 'most admired corporate culture' for the past five consecutive years.

Part Two of this report features conversations with a range of experts who share their opinions on the impact of effective communication on people, process and technology, along with a number of insightful tools and tips based on their years of personal experience.

Part Three analyses the results of the survey, completed by more than 175 people. Through a conversation the authors had with a colleague and strategic communications expert, they bring energy and insight to the interesting trends seen within the research results.

Part Four presents a collection of useful cases studies from organisations including Ernst & Young, award-winning Canadian airline WestJet and iconic not-for-profit organisation The Salvation Army. Some of the case studies identify where organisations are making communications work and others highlight how they have tackled areas that need improvement. In conjunction with the rest of the content in this report, they demonstrate how effective strategic organisational communications can improve employee engagement and they highlight some of the first steps that can be taken to empower people, improve processes and upgrade technology.

Reference

1. 'Clear direction in a complex world', 2011-2012 Change and Communication ROI Study Report, Towers Watson, 2011

About the authors

Leanne Mills



LEANNE MILLS is a writer, trainer and communication specialist with 25 years' experience working in Europe, the Middle East, Asia and Australia in global financial services organisations.

As a professional business writer, Leanne creates investment communication, technical content and tender submissions for professional and financial services organisations, government agencies and SMEs in the health, engineering, construction and resources industries.

In 2008, Leanne created Writeability, a virtual copywriting and communications agency that provides a global network of

copywriters to support clients' internal and external communication needs.

Leanne can be contacted through her website at www.writeability.com.au.

Shirley Anne Fortina



SHIRLEY ANNE FORTINA is the principal of The POD Consultancy, a business that focuses on people, opportunities and development. She is a facilitator, trainer, business development coach and speaker.

With a career spanning over 23 years, Shirley Anne's background is predominantly in the banking and finance sectors and for the past five and a half years within professional services. Shirley Anne has developed a valuable understanding of the different drivers and challenges facing numerous organisations across a broad section of industries, sectors and countries (South Africa, the UK and Australia).

In 2009 Shirley Anne developed the successful BrandYOU, a personal programme which helps individuals build confidence, effective communication and improve performance.

Shirley Anne can be contacted through her website at www.podconsultancy.com.au.

Acknowledgements

WE'VE APPROACHED this publication through the lenses of people, process and technology, so we feel it's appropriate to use these same themes to evaluate our experience of producing this report.

People

Our experience has proved the power of personal networks. Our heartfelt thanks go to all the generous people in our global network for opening up their valuable networks to us, and to those new contacts we've made who have provided support to this project. We have enjoyed the numerous conversations that have extended our thinking.

Process

As with any communications project, it was important that our approach as co-authors was collaborative, honest and transparent. We've shared ideas and developed concepts, both together and individually. Leanne has shouldered 75 per cent of the writing, researching and production effort with a very valuable, supportive and consultative 25 per cent from Shirley Anne.

Technology

Thank goodness for social media and knowledge-sharing tools. Skype, Skylook, Google, Blogs, SlideShare, Twitter, LinkedIn, Facebook, YouTube. YouNameThemWeUsedThem.

Our deepest thanks to all of you listed below for your time, your insights and your support. We couldn't have done this without you.

- Greg Barnes, AMG/Click! Colours
- Richard Bartrem, WestJet
- Justine Colyer, CEO, HCSG
- Andrew Craib, The Salvation Army
- Justin Davies, Emergination
- Louise Denver, Deloitte (AU)
- Bill Fellows, Top-of-Mind Branding
- Maryanne Fernando, Brand ONE
- David Ferrabee, Able & How (London)
- Anthony Fortina
- Wendy Franklin, GESB
- Julie Hillier
- David Koutsoukis, Click! Colours
- Howard Kraiss, Ernst & Young (London)

Acknowledgements

- Virginia Hopes
- Lee Hopkins (Adelaide)
- Todd Hutchison, People Rich (Aus)
- Ava Lancanus, Edge Communication
- Danielle McNamee, ProcessWorx
- Noelene Merrey, ISA
- Andrew Mills
- Jani Murphy, Email Smart
- Kevin O'Keefe, CEO, LexBlog (Seattle)
- Lorena Paglia, LVP
- Scott Pitman
- Gary de Rodriquez, People Rich (USA)
- Evie Serventi, Ark Group
- Glenda Stone, Aurora Ventures (London)
- Penny Web, InsideOut