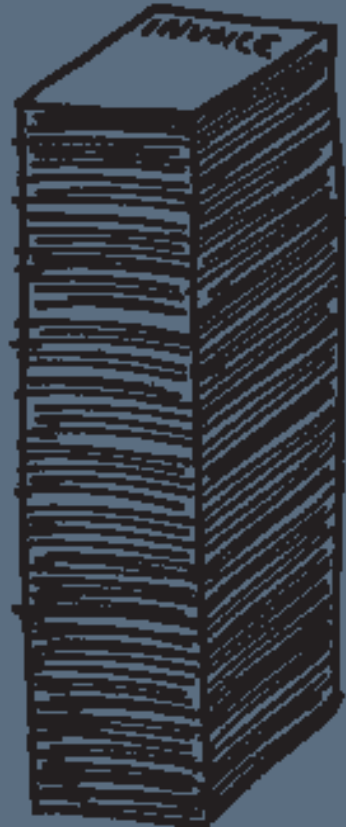


**At the centre
of any successful
organisation is
effective internal
communication.**

At the centre of any successful organisation is effective internal communication. Studies consistently show that companies who communicate effectively perform better financially and have higher levels of employee engagement.

In this booklet we pose a few questions that may help you think about your organisation's internal communication needs. Perhaps we can help you with the answers.

Does your CEO think internal communication is just another overhead?



For internal communication to be effective, it is essential that your CEO and senior management team support and champion your efforts.

Senior management, especially your CEO, set the direction and vision for your company and have a key role to play in communicating this to employees. Messages need to be clear and concise, easy to understand and implement and backed up by the appropriate behaviours.

However, in many companies, one of the most common complaints when it comes to senior leadership communication is that the CEO and senior management team 'is not visible'. But why does this matter? Often, employees interpret a lack of communication as, 'senior management don't care'.

A lack of visibility can also be interpreted as senior management not wanting to involve or consult with people on how the company is progressing. All these things have a negative impact on people's morale and motivation and, ultimately, their level of engagement with the organisation.

But does 'being more visible' mean more face-to-face communication? And is this really feasible for a senior team who have such busy diaries?

Senior leadership communication can take many forms and, for the most part, employees appreciate and understand that regular face-to-face communication is not always possible. In this age of 'new media', there are many different ways in which internal communicators can help their senior team communicate with employees. The most important thing is that communication is clear, consistent, believable and authentic.

How good for your business is having effective internal communication?



In a world where products, pricing and services can be easily copied, a company's employees are increasingly its key differentiator.

Your people have the power to influence every facet of your business – from how well your customer experience is delivered right through to your corporate reputation. Did you know that 70% of customer brand perception is determined by experiences with people*? Or that 68% of customers leave because of poor employee attitude*? These figures demonstrate the power that your people have. They can directly determine how successful your company is – or isn't – and communication plays a vital role in this.

A recent study (2005/2006) by Watson Wyatt Worldwide has shown that effective internal communication is a leading indicator of an organisation's financial performance. The study says that, *"this means that effective communication can lead to better financial performance. Companies that treat communication as a strategic business function and use it to engage employees in the business reap the rewards through higher shareholder returns and market premium"*.

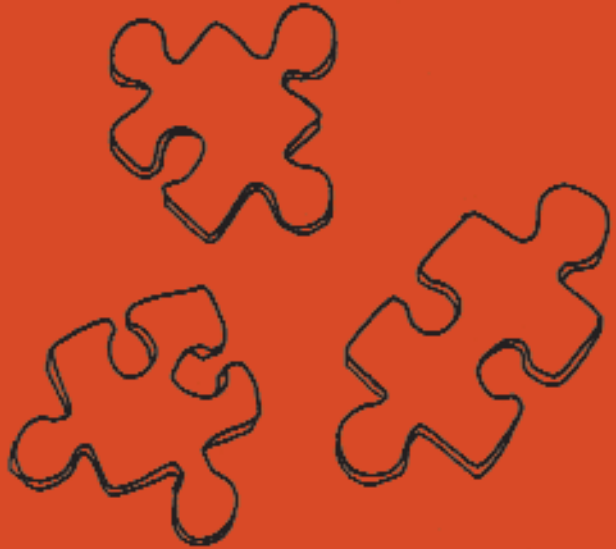
Given these facts, it's surprising that some companies pay much less attention to their internal communication than they do to their external communication.

Whilst external communication is meticulously planned, and has the budget to match, internal communication can often be the poor relation. An all-employee newsletter and the occasional email from senior management can constitute internal communication for some companies. When a senior executive for a property company was asked how the company was going to communicate its new strategy to its employees the response was, "sending them an email will do". Whilst it doesn't have to cost the earth, effective internal communication does require investment.

* Sources: Ken Irons, Market Leader; Parkington and Buxton, Study of the US Banking Sector, Journal of Applied Psychology

> **Treat internal communication as a long-term investment, not a short-term cost**

Do your employees really see the bigger picture?



Why is it that so much internal communication falls on deaf ears? Often it's because employees are bombarded by so many messages that they can't see the wood for the trees. In addition to the information overload, messages are frequently not related to the wider business strategy. As a result, communication can do more harm than good, breeding cynicism and making people feel directionless – especially if they're not involved in the process.

One of the most important functions of an internal communication team is to create an employee 'line of sight'. This means helping employees to understand the bigger picture and how their actions influence company goals and the bottom line. Sharing customer feedback is a powerful way to do this as it clearly demonstrates how people's actions are making a difference. Sounds obvious, but it's amazing how few organisations do it.

Companies with good internal communication practices frequently communicate their business plans and strategy. A leading global telecommunications company positions all of its internal communication within the context of its six strategic goals. By doing this, internal communication remains 'joined up' and employees understand the relevance of new initiatives, products, services or programmes.

At a global IT outsourcing company, employee objectives are directly linked to overall business objectives. People understand the role they have to play in business success and are directly rewarded for their contribution.

Ultimately, putting your business strategy into action rests in the hands of your employees. It makes sense to help people understand what that strategy is and what their role is in making it happen.

> Make sure your communication paints the bigger picture

How often do you hear one thing from one manager and a completely different version from another?



Frontline managers in any organisation are the opinion leaders and have the most day-to-day contact with their employees. Increasingly, many organisations are asking their frontline managers to play a key role in the communication of business goals, strategy and performance.

Given how influential this group is, what they communicate and how they communicate can significantly impact on how engaged their teams are.

However, although managers can often find themselves with 'communication responsibilities', research suggests that many do not receive any form of training or the tools they need to do the job effectively. At worst this can lead to managers not taking the time to communicate with their teams and at best it can lead to a fragmented and disconnected message. Companies that adopt best practice in this area provide managers with information before sharing it with the wider employee population. They also provide it in a way that makes it understandable and easy to deliver. Most importantly, managers who take their communication responsibilities seriously are recognised and rewarded.

Understanding and supporting the communication needs and requirements of your frontline managers is an essential component of successful internal communication.

> Support your managers by giving them the tools and training they need to do the job

How often do your managers talk face-to-face with their teams?



There's an old saying that goes along the lines of 'if it ain't face-to-face, it ain't communication'*. But in these days of flexible working hours and a geographically spread workforce, how easy is it for managers to spend face-to-face time with their people and what value does face-to-face communication really add?

Ask any internal communication expert and they will tell you that face-to-face communication is essential when it comes to communicating organisational change. You could of course argue that all communication is designed to affect some kind of change – whether it's in relation to how employees think, feel or act.

Dialogue and conversations give people an opportunity to interrogate messages, understand them better and clarify the relevance of them.

Face-to-face communication also gives managers an opportunity to listen to employees and provide them with an opportunity to feedback thoughts and ideas relating to the business. (Note: These ideas need to be acted on and publicised as if employees feel that 'nothing ever changes around here' as a result of their input, they will become cynical and disengaged.) All of these aspects have been shown to have a positive impact on levels of employee engagement.

In this age of increasing electronic communications, there is a tendency to forget how much we communicate through body language and tone of voice.

For example, you may disagree with someone's opinion but your body language and tone of voice may say 'I value your opinion and like working with you even though we don't see eye-to-eye on this subject'. These are subtleties that an email is not capable of conveying.

* Quote by Dr T J Larkin (Ph.D. in communication from Michigan State University, B.Phil. in sociology from Oxford University)

> Put face-to-face communication at the heart of your internal communication strategy

Do you think global and communicate local? Or is a 'one size fits all' approach a more accurate description?



One of the main challenges facing many internal communication professionals today is communicating with a global workforce. Ensuring communication is timely, targeted, clear, concise and relevant can be tricky even when you have a good understanding of your audience. When it comes to communicating with people who sit in different offices and then different countries, it can get even harder.

Many large, global organisations now have global internal communication networks. A leading global telecommunications company has internal communication professionals in each of its operating companies and also in each of its business units in the UK. Having a global network provides a mechanism through which corporate communication can be localised.

But why does this matter? We all know that 'humour doesn't translate' but this can also be the case with other aspects of communication too. It is important that cultural differences are respected and that communication is tailored so that it resonates with local audiences.

Communication styles are another element that should be taken into account – what works in the US may not be appropriate for Japan or Italy. Get local communication wrong and you may find yourself with disengaged local audiences and strained relations between countries and the corporate centre.

With all this in mind, having people on the ground that have an in-depth understanding of the audience, culture and organisational context can be invaluable. If you are a global company without the luxury of a global internal communication network, then finding someone locally to help you answer these questions before you communicate may be helpful: Does it need to be translated? What is the right mechanism for delivery? Does it need additional context to make it understandable locally? Have I ensured that it will not cause offence? Is the style and tone appropriate?

> Establish a process for communicating with local offices

Do your employees
always know the
answer to the question:
‘What’s in it for me?’



Human nature means that we all want to know and understand: ‘What’s in it for me?’ But this factor can sometimes be forgotten in the development of internal communication programmes. The ‘What? When? How? and Why?’ should always be kept in front of mind when developing any piece of communication as these are questions that people will immediately ask in response to anything they hear or read.

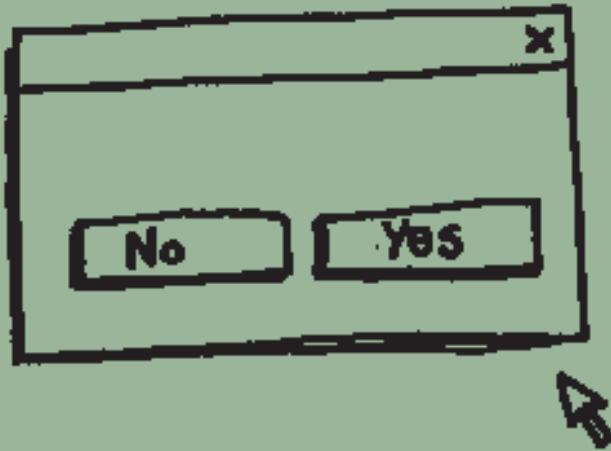
Internal communication should aim to create intellectual connection and emotional commitment to help motivate and direct behaviour change. Many internal communication programmes, like external communication programmes, are structured around a creative theme or a ‘Big Idea’ that can help to increase the level of emotional commitment people have to the business and the brand. A creative theme can help capture the objective and essence of a programme and inspire a more emotional response from people. In addition to this, it can help to answer the ‘What’s in it for me?’ question in a creative, inspiring and compelling way.

A UK bank used the metaphor of Formula-1 racing to help tell the story of their new business-critical systems programme. The metaphor provided a mechanism through which the story could be told of the need to create winning performances from both the driver, as well as the back-up team, in order to perform well on the road ahead*. In this way, the ‘What’s in it for me?’ – to be part of a winning team – was brought to life in an engaging and inspiring way.

* Source: Strategic Communication management, Volume 11, Issue 2

> Use creativity in your internal communications to help communicate the ‘what’s in it for me?’

To blog or not to blog – do you have the answer to the question?



Blogging. Everyone's talking about it. From gap year students to David Cameron, many individuals and organisations have well and truly realised and harnessed the power of 'social media'.

Blogs can play a role in building a company's reputation. Blogs can create communities and connect companies with new audience segments. Blogs can hold corporations to public account. But blogs also break down the traditional top-down corporate communications structure. Blogs democratise information and mean that anyone can be a writer and a publisher. Blogs mean that communication can also be bottom-up. Perhaps this is why many company blogs turn in to nothing more than published press releases on which people are able to comment. So to blog or not to blog?

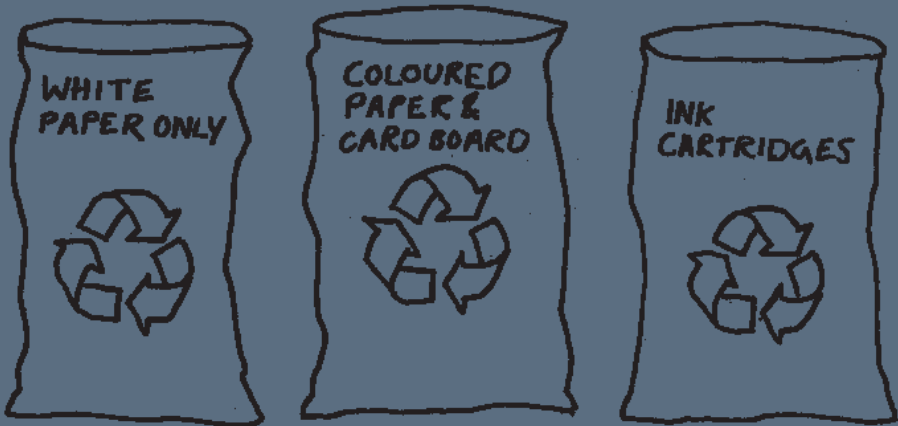
Just like anything else, blogs need to have a strategy behind them and a reason for being. What do you want your blog to achieve and why? How and where does it sit in relation to your wider internal communication strategy? And are you, your management and your organisation ready to truly embrace this method of communication?

Steve Crescenzo, an acknowledged expert in the field of blogging and a founder of Crescenzo Communications in the US, has these tips for internal communicators who are thinking about starting a company blog:

1. Keep your blog business-focused yet conversational. Write about strategic topics in your own voice and you'll draw readership
2. Do your part to steer conversations down the right path. Your job will become less of a 'gate-keeper' and more of a 'conversation starter'
3. Sell the blog as a business tool, not a communication tool. Your Chief Executive will want to know how it's going to help the company meet its goals
4. Don't let senior executives fake it. A blog is an online diary and it's personal. This means it has to be written in the first person. Writing it by someone for someone means it loses credibility and defeats the purpose of it
5. Trust your employees. One of the main reasons companies don't blog is that they don't trust their employees. Your employees are professionals and will act professionally online too

> **Electronic communications, like any other, need clear objectives and a clear strategy**

Are your employees helping you to be responsible?



Being, and being seen to be, corporately responsible is becoming increasingly important for all organisations, whatever their shape and size. From consumers to employees, people want to know that they are dealing with, and working for, a company that conducts itself in an ethical and responsible manner and respects the environment in which it operates.

Brands such as Nike learnt the cost of not acting in this way when, back in the 1990s, people protested against the sweatshop conditions that many of its workers were subjected to.

Your employees are ultimately the people who will turn your CSR strategy into action. With this in mind, they should be doing more than just hearing about it – they should understand it, be involved in it and committed to delivering it.

However, for some employees, their level of engagement with their company's CSR activities only extends to receiving a copy of the CSR report – often developed with predominantly external stakeholders in mind.

This is short-sighted, as a recent report* by Melcrum Publishing suggests. The report cites three business drivers for why engaging employees in corporate responsibility is a good thing:

1. Reputation is enhanced: both among employees themselves and external stakeholders
2. Recruitment and retention costs go down: it is easier to recruit, you may not have to pay so much in salaries, people don't leave as often
3. Employees develop useful skills: these skills will be put to use for the company, or there is an understanding that skills developed improve the employee's overall employability

But, just like any other internal communication, there should be a clear link between CSR activities and the overarching business strategy.

* 'Engaging Employees in Corporate Responsibility', Melcrum Publishing 2006

> Use internal communication media to build awareness and understanding of your company's CSR strategy

If you would like to talk about any of these issues and explore how your company can improve its internal communication strategy, please call us on +44 (0)20 7033 0700

the 1990s, the number of people who are employed in the service sector has increased in all countries. In the Netherlands, the number of people employed in the service sector has increased from 1.5 million in 1980 to 2.5 million in 1995.

There are several reasons for this increase. First, the service sector has become more important in the economy. Second, the service sector has become more attractive to workers. Third, the service sector has become more flexible.

The increase in the number of people employed in the service sector has led to a change in the structure of the economy. The service sector has become the dominant sector in the economy.

The increase in the number of people employed in the service sector has also led to a change in the way that people work. People are now working longer hours and are more likely to be employed in part-time jobs.

The increase in the number of people employed in the service sector has also led to a change in the way that people are paid. People are now more likely to be paid in kind, such as through stock options or bonuses.

The increase in the number of people employed in the service sector has also led to a change in the way that people are trained. People are now more likely to receive training on the job.

The increase in the number of people employed in the service sector has also led to a change in the way that people are organized. People are now more likely to be organized into teams.

The increase in the number of people employed in the service sector has also led to a change in the way that people are motivated. People are now more likely to be motivated by intrinsic factors, such as the work itself.

The increase in the number of people employed in the service sector has also led to a change in the way that people are managed. People are now more likely to be managed in a participative way.

The increase in the number of people employed in the service sector has also led to a change in the way that people are evaluated. People are now more likely to be evaluated on their performance.

The increase in the number of people employed in the service sector has also led to a change in the way that people are rewarded. People are now more likely to be rewarded with non-monetary rewards, such as recognition.

The increase in the number of people employed in the service sector has also led to a change in the way that people are promoted. People are now more likely to be promoted based on their performance.

The increase in the number of people employed in the service sector has also led to a change in the way that people are hired. People are now more likely to be hired based on their skills.

The increase in the number of people employed in the service sector has also led to a change in the way that people are fired. People are now more likely to be fired based on their performance.

The increase in the number of people employed in the service sector has also led to a change in the way that people are laid off. People are now more likely to be laid off based on their performance.

The increase in the number of people employed in the service sector has also led to a change in the way that people are rehired. People are now more likely to be rehired based on their performance.

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