

Winning the Hearts & Minds of employees

An Internal Communication Strategy

by Ramesh Ranjan

How well an organization communicates internally is increasingly recognized as a key determinant of corporate effectiveness. With a diverse workforce across multi locations, communication is an important tool for recruitment, retention, development and motivation of the organization's greatest asset – **"It's People"**.

Without a common, compelling context people can easily lose their way, their sense of purpose, and their motivation. They miss how their part contributes to the whole – why they are doing what they are doing. Lacking a common context, people construct their own explanation, their own interpretations of what's important to the organization and they can end up working at cross-purposes.

A shared context, on the other hand, provides a powerful orienting point for an organization as it copes with a changing environment. One of the greatest challenges of an organization, therefore is to identify and communicate a compelling context, a common sense of what the organization's goals and culture should be.

Many a times organizations take communication with employees for granted. They think that their superiors would have informed the employees or some-how employees will find a way out to know what they need to know about the company.

Kathleen McKenna, Verizon's vice president of global employee communications, comments "One of the greatest challenges of reaching a global work force is ensuring employees remain connected in a rapidly changing business environment."

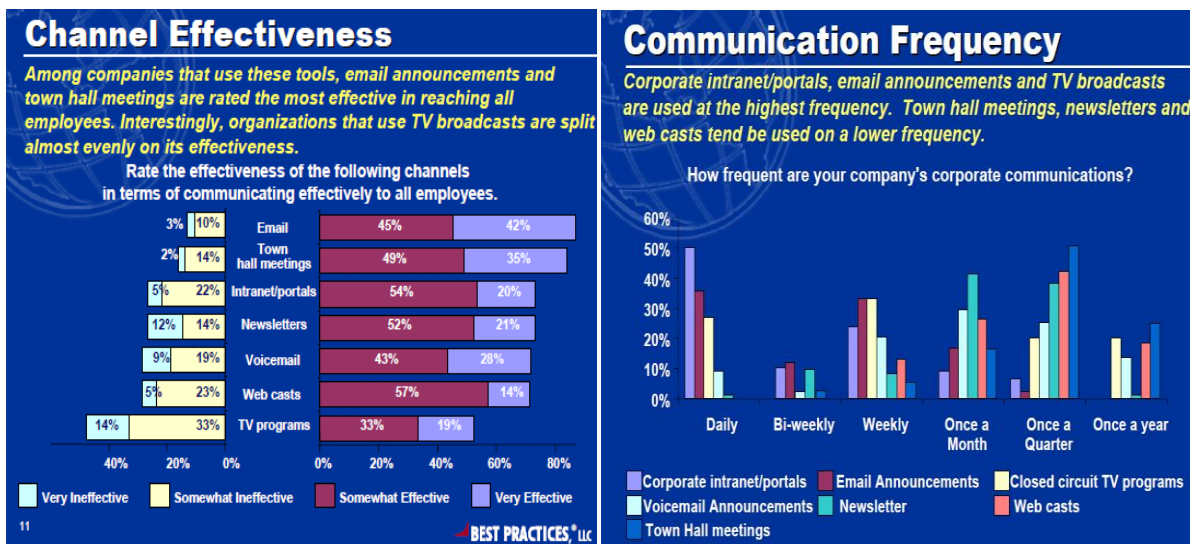
It's often observed that CEO's and leaders are not connected and engaged with the employees of the organization. They largely rely on the information that feeds into them from their direct reports and Management Committees. Their perception of the organization is what their subordinates / Management committees see. You don't build loyalty to bricks and mortar – you build loyalty to humans. The more employees can see CEOs and get a feel of his vision and how company is going to be successful..... the better.

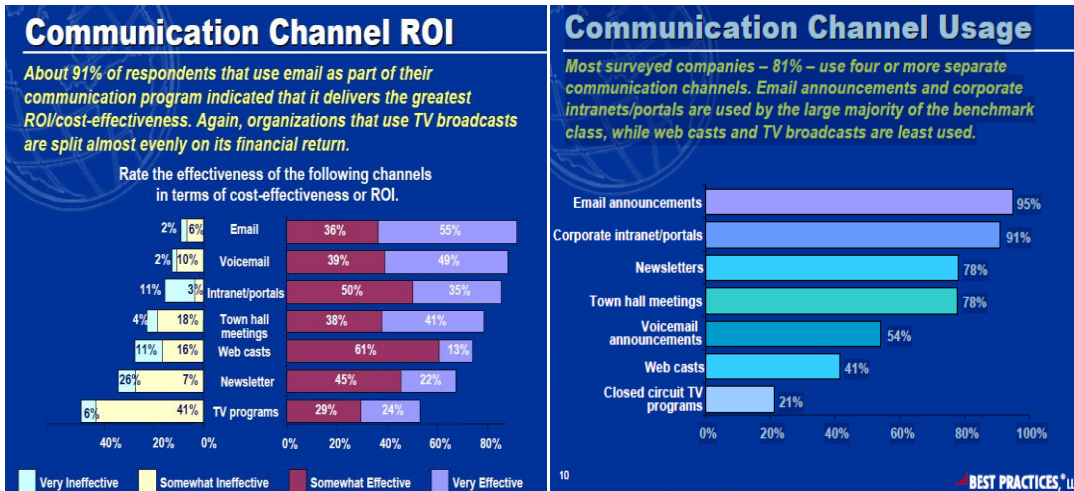
Narrowing these gaps in understanding between people's current situation and the future vision of the organization is every leader's real challenge.

Why then do we need to communicate to our employees?

Here is a finding of a survey conducted by *Best Practices, LLC administered a survey covering 98 companies worldwide on Internal Communication and their major findings are:*

- Half of surveyed companies have a centralized group to deploy messages. Of companies self-rated “very effective,” 63% have a centralized group with responsibility for both internal and external communications.
- Most surveyed companies – 81% – use four or more separate communication channels. Email announcements and corporate intranets/portals are used by the large majority of the benchmark class, while web casts and TV broadcasts are least used.
- Among companies that use these tools, email announcements and town hall meetings are rated the most effective in reaching all employees. About 91% of respondents that use email as part of their communication program indicated that it delivers the greatest ROI/cost-effectiveness. Interestingly, organizations that use TV broadcasts are split almost evenly on its effectiveness and financial return.
- Corporate intranet/portals, email announcements and TV broadcasts are used most often. Town hall meetings, newsletters and web casts tend to be used less frequently.
- 76% of respondents measure internal communication performance. Surveys are the primary measurement tool, used by 72% of companies that measure performance.
- Other measurement systems include gathering formal and informal feedback, focus groups, attendance/usage, tie-in to Six Sigma programs and a balanced scorecard approach.





Source : (Corporate Communications:Best Practices in Effectively Messaging Employees Internet Benchmarking Survey - Best Practices, LLC www.best-in-class.com)

Internal communication is not only to keep employees engaged but also needs to be used as a strategic initiative to help organizations be Customer focused. An organization cannot be customer focused unless its employees adopt an attitude of customer centricity and are focused on working towards Customer Delight.

Customer Focus Starts With Internal Communication

- According to the Watson Wyatt 2005/2006 study Communication ROI Study,1 which analyzed the communication practices and financial results of U.S. and Canadian employers between the years 2000 and 2004, companies with effective internal communications were 4.5 times more likely to report high levels of employee engagement than other companies. Employee engagement, in turn, had a positive impact on their bottom lines:
- Companies with the most effective internal communication programs achieved a 91 percent total return to shareholders (TRS), versus 58 percent TRS among ineffective communicators
- A 1997 study2 by three Harvard Business School professors found that, over a 10-year period, the stock price of companies that made substantial investments in employee loyalty and satisfaction increased over 147 percent — almost double the increase in stock prices of their nearest competitor.
- A 1998 study3 of retailing giant Sears found that a 4 percent increase in employee satisfaction led to an identical increase in customer satisfaction which, in turn, led to an increase of over \$200 million in revenues. Given Sears’ after-tax margin and price-earnings ratio at the time of the study, the additional revenue increased Sears’ market capitalization by almost one-quarter of a billion dollars.
- Disney is a prime example used by the Chartered Institute of Public Relations (CIPR) in its internal communications workshops. Internally, employees buy in to the brand 100 per cent and their enthusiasm, commitment and love of the brand is clearly visible externally. This leads to happy customers and in turn a happy profit cycle.

Source:

(i) www.watsonwyatt.com/research/resrender.asp?id=w-868&page=1

(ii) Heskett, J.L., Sasser, W.E., Schlesinger, L.A., *The Service-Profit Chain: How Leading Companies Link Profit and Growth to Loyalty, Satisfaction and Value*, published by Free Press

(iii) Rucci, A.J., Kirn, S. P. & Quinn, R. T., "The Employee-Customer-Profit Chain at Sears," *Harvard Business Review*, Jan.-February 1998, pp. 82-97

What do employees expect to be communicated?

- What are the key features of the external environment in which our organization operates and how are they likely to change?
- What are our current strategy and goals, and what changes should we be making to respond to our changing environment?
- What's our current culture, and what kind of culture will enable us to achieve our strategy and goals?
- How are we doing?
- Where are the gaps?
- Where are these opportunities?

Besides the employees would also want to know:

- How is the company faring?
- How is the Employees Department / Business faring?
- How is the Employee faring (as perceived by the superiors)?
- Where do we as an organization want to go?
- How do we reach there (what is the game plan of the company)
- If any major policy decisions have been taken, the rationale of such decision (a limited extent) especially if it has to do something concerning him / her employment terms and conditions.
- How are the other companies (benchmark companies, competitors) faring and what is it we can learn from them.
- Employees are also keen to know their employment terms and conditions, their benefits, HR policies, news about People joining the organization, activities and events going on in other parts of the organization, changes in policies & procedures, organization structure, whom to contact, HES / Safety policies, Self Development Programs, Training & Development Programs / Course Materials, Payroll Management, Travel Management etc.

Quality work and high performance are a matter of engaging people in activities that keep them focused on the purpose and priorities of the organization. Limited resources of staff,

time, money and energy demand that people work in concert toward the most compelling opportunities.

So then how do we communicate to our employees? There are many channels of communication that an organization can adopt.

Here are some Avenues for Communication

- Appraisals
- Email
- Suggestion scheme
- Staff awards scheme
- Newsletters
- Intranet
- Webcast
- Townhall meetings
- E-zones
- Corporate road shows

Is a practice where senior executives of the company reach out to employees on locations, meet them and share presentations on major issues before offering the chance for questions and answers?

- Ambassadors / Management Champs
- Charity/social events / Corporate Social Responsibility
- Annual General Body meeting
- Staff forums
- Speak Easy (Anonymous feedback)

It's a system where employees can email or send questions to a third party agency, who are responsible for obtaining an answer from the relevant officer and reply back to the aggrieved person within a stipulated time. The identity of the aggrieved employee is always protected.

- Opinion Surveys
- Screen Savers

It is important that Communication doesn't become a one-way channel of communication. It's important that organization respect that communication is not complete without a feedback mechanism. Therefore the communication strategy must include a well thought out feedback mechanism. Good internal communication should be as much about listening to people as disseminating information. Therefore monitoring, evaluating and making changes accordingly must be an integral part of any communication system.

Best Practices on Internal Communication

- At American Electric Power, which has 20,000 employees in approximately 500 offices around the U.S majority of stories on AEP Now are written by the ***same internal communications team that oversees the company's print publications;***
- Nokia North America has also completely done away with print publications. Newsletters are drafted in an **electronic HTML format** which, thanks to email, can be more easily distributed.
- Digital Signage Network –At Lockheed Martin Aeronautics Company Employee ***Communications is delivered via LCD Monitors.*** One of the company's primary goals was to establish a new and effective way to provide internal and external news and information to the company's non-wired work force.
- Seeing is Believing with “***Roving Reporter***” Video - When Philips North America was looking for the best way to educate employees about its products while creating a sense of pride and an increased demand for new technologies, it turned to video. Philips saw video as fun and relevant encouraging employee participation. Philips Network News (PNN), along with its Roving Reporters, serves up a weekly global broadcast to employees every Monday. Young company managers-turned-correspondents provide employees with a “behind-the scenes” look at product launches and other special events, with subtitles and contents customized to each region.
- A ***Radio Newsletter?*** HCL Technologies (HCLT) in India discovered that managing Gen Y employees called for an innovative approach and a new set of capabilities. HCLT launched a unique medium for employee communication through its wholly owned subsidiary, HCL Comnet. Comnet Radio is the world's first “radio newsletter,” designed to deliver the company's internal communications. This medium plays pre-recorded messages about the latest company happenings and news; it also provides an interactive platform for employees to communicate within the company. All this information is packaged with popular songs and played as CDs, without using air-waves. Comnet Radio is an exclusive internal communications tool, accessible by all employees through their desktop intranet and played at breakout and canteen areas within office premises.

Obviously we can't have a single **Communication Plan Strategy** to address all these issues. We need to develop a multi pronged strategy using different media to address these issues. Well here is something that we adopted at Caltex India (Chevron Texaco) some time ago.

No's	Communication Content	Strategy	Medium	Periodicity
1	How is the company faring?	Senior Managers, led by Country Chairman to communicate to employees	Town hall Meeting, e-mail, electronic newsletter / website/employee Portal	CCM at least quarterly, BU / HODs to communicate monthly
2	How is the Employees Department / Business faring?	Senior Managers, led by Country Chairman to communicate to employees	Town hall Meeting, e-mail, electronic newsletter / website/employee Portal	CCM at least quarterly, BU / HODs to communicate monthly
3	How is the Employee faring (as perceived by the superiors)?	BU / HODs to communicate to employees	e-mail, Personal one to one meeting session	Preferably monthly, but if not at least quarterly
4	Goals of Organization, Department / Business/ Individuals	Senior Managers, led by Country Chairman to communicate to employees	PMP process, email, Orgn.goals - Electronic newsletter / website / employee portal. Dept / Individual - Dept. meeting & one to one personal meeting session	Goals of Organization to be shared on an Annual Basis and provision for a midyear review. Dept / Individual - preferably be split to quarterly goals and reviewed monthly
5	How do we reach there (what is the game plan of the company)	Senior Managers, led by Country Chairman to communicate to employees	Town hall Meeting, e-mail, electronic newsletter / website/employee Portal	Quarterly review & forward looking statement
6	If any major policy decisions have been taken, the rationale of such decision (a limited extent) especially if it has to do something concerning him / her employment terms and	HR / BU / HOD's to explain the motive and rationale of the decision	Dept. meetings and one to one sessions, emails (for remote employees)	As and when situation demands

	conditions.			
7	How are the other companies (benchmark companies, competitors) faring and what is it we can learn from them.	HR /BU / HODs to share information of benchmarked companies	Dept. meetings and one to one sessions, emails (for remote employees)	At least once in a quarter
8	Employees are also keen to know their employment terms and conditions, their benefits, HR policies, news about People joining the organization, activities and events going on in other parts of the organization, changes in policies & procedures, organization structure, whom to contact, HES / Safety policies, Self Development Programs, Training & Development Programs / Course Materials, Payroll Management, Travel Management etc.	HR / HES	Dept. Meeting, e-mail, electronic newsletter / website/employee Portal	Online, if not once in a quarter

Benefits of Internal Communication

- A well informed employee
- Scope for rumor mongering limited
- Authenticity of information flow in the organization
- Transparency on behalf of the management
- Trustworthiness created amongst employees
- Morale and Motivation is bound to improve

EMBRACING INTERNET AND SOCIAL MEDIA FOR INTERNAL COMMUNICATION

Many global enterprises have developed an online website presence (intranet) specifically for employee communications, including breaking company news and announcements, compensation and benefits information, corporate policies and procedures, and interactive media.

For its global Social Intranet Study 2011, intranet and Web consulting firm Prescient Digital Media surveyed 1,400 companies of all types and sizes. Summarizing the results, Prescient president, Toby Ward, highlighted the four most prominent features on corporate intranets:

- Employee directories and personnel information
- Information on HR policies and compensation/benefits
- Corporate news and industry news
- Cafeteria menus

With the advent of internet, it enabled employees and organization to get connected far and wide. With the advent of the Social Media Tools, it enabled employees and organization to get connected to the outside world, far and wide. There are no boundaries – geographically or restricted by organization rules. Many a organization is grappling with the issue of “to embrace or not embrace” the social media network. Initially organizations placed a blanket ban on social media network, They felt threatened but soon became hapless. Organisations have reconciled to the fact that its better to embrace the social media network and learn to live with it, rather than brushing it under the carpet or trying to hoodwink it.

Here are a ***quick list of the 5 internal communications tools using the social media network*** that are currently gathering momentum which you need to watch out for in the social media space.

➤ **Yammer**

Yammer recently was awarded a prize from Forrester for their activities in Deloitte Australia. Among these customers were Shell, ACCA, and Lexis Nexis. The Yammer team has put a lot of time into developing mobile and desktop applications to make the cloud based platform more accessible. It helps reduce email usage and facilitates online discussion and file sharing but it does not allow users to create blogs or provide persistent spaces for project specific information etc. It can be used in conjunction with SharePoint to be a more powerful tool but is not a complete platform.

➤ **Chatter**

Sales fore tool supported by some significant industry partners such as Accenture who are recommending the platform. It is based on the same business model as Yammer i.e. employees can join the company network without any knowledge or permission from the company's management/leadership. It has a very similar look and feel to Yammer with a few slight differences. They integrate in Google documents and gadgets and allow users to set up "customer account" and "project" pages as well as standard groups.

➤ **Jive**

Both Gartner and Forrester have backed Jive as the best in their space (enterprise social platforms). They are applying for IPO at the moment, which will be a first for a company in this space. The big differentiator between enterprise social platforms and Yammer/Chatter/Group site is that they have a full suite of capabilities and provide a lot of additional support features for activities such as on boarding and CoP group. With Chatter and Yammer there is a limited amount of integration between internal systems when compared to Jive and Telligent. The ability to quickly and easily change group pages content and look and feel within Jive is superior. Jive has acquired a company that allows Jive to integrate with your office suite of tools allowing users to view colleagues' social activities on Twitter/Jive/Face book etc. when in Outlook.

➤ **Telligent Enterprise**

Another heavy hitter in this space and analyst favorite (Forrester). Founded by the ex Microsoft.Net development guru/founder. This is a platform that integrates very well with existing enterprise platforms e.g. SharePoint, Sales force CRM etc. Similarly to Jive this platform can be used to create powerful internal, external facing and completely external communities. Telligent boasts some influential clients e.g. Dell, Microsoft, Investec etc.

➤ **Group site**

NRG have implemented this platform and there are some good testimonials on their site. Accenture have also provided their seal of approval. Seems like a very tidy solution for internal teaming and discussion. Worth a look.

Source:

- (i) <http://esocialmedia.co.uk/internal-communication-tools/5-of-the-best-internal-communications-tools-for-business/>
- (ii) kieran.hannon@esocialmedia.co.uk

It's easy for an organization to formulate a strategy but research has shown that most organizations falter in their execution. For a strategy to be supported and acted upon, it has to live in the hearts and minds of employees. We must end the notion that the final product of a strategy is a document.

So how do we overcome these pitfalls and ensure success.

Here are ***10 Maxims for Success.***

1. The CEO leads the charge.
2. Be visible. Practice management by walking around. Express yourself. Let people get to know you.
3. Communications have to be ongoing, frequent, consistent and believable.
4. Have a budget for internal marketing and a plan that's flexible and easy to implement.
5. Create feedback processes and mechanisms to create a dialogue. Use face-to-face meetings, email, phone, Intranets and other creative ways. Honor the feedback, whether it's negative or positive.
6. Use benchmarks to measure how well you're doing.
7. Have a rallying cry. Give employees a simple statement of your organization's purpose.
8. Communicate company goals. Make sure every employee understands both short- and long-term goals. Articulate them clearly and often.
9. Share successes and setbacks. Have a well oiled system in place to internally publicize wins in every department and function (not just sales). When you hit bumps in the road, let employees know. They might give you some good ideas.
10. Tap into the company's informal leaders – the people employees listen to and often follow. Informal leaders can be positive or negative. They can help or hinder you. Get to know who they are and establish relationships with them.

Source:

(i) Inroads, LLC (www.inroads.cc/toolstipsideas.htm)

To conclude I would like to quote ***“The problem with communication is the illusion that it has occurred.” George Bernard Shaw.*** Let's not live in that illusion. Don't take anything for granted.

Appendix – References

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 8. **Inroads, LLC (www.inroads.cc/toolstipsideas.htm)**
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He was the Honorary Secretary of the National HRD Network, Bangalore Chapter. He was the member of the India HR Council of the AMCHAM, New Delhi, and Panelist on the Roundtable of HR Directors of Petroleum Companies, ISP Mumbai and Member of the India HR Council of Conference Board.

Adopting a “never say die “approach, he strongly believes that HR is not for faint hearted professionals. He believes that “when the going gets tough, the tough gets going”.