“What Does Good Look Like?”

A Quantitative Study of Best-in-Class Practices in Employee Communication

19 March 2015
Hong Kong
Before We Get into Our Research: “Why Should I Care?”
“How Do ‘Engaged’ Companies Perform?”
Engaged Companies Outperform Their Competition

- Customer Ratings
- Profitability
- Productivity
- Turnover
- Safety Incidents
- Shrinkage (theft)
- Absenteeism
- Patient Safety Incidents
- Quality (defects)

Gallup 2012 meta-analysis of Q12 findings from 49,928 work units, including nearly 1.4 million employees
Predicting Key Performance Outcomes

- Work units in top quartile outperformed bottom-quartile units by 10 percent on customer ratings, 22 percent in profitability, 21 percent in productivity
- Work units in top quartile saw significantly lower turnover (35 percent), shrinkage (28 percent), absenteeism (37 percent), fewer safety incidents (48 percent), patient safety incidents (41 percent), and quality defects (41 percent)
- Companies with an average of 9.3 engaged employees for every actively disengaged employee experienced 147 percent higher EPS compared with competitors
- Companies with an average of 2.6 engaged employees for every actively disengaged employee, in contrast, experienced 2 percent lower EPS compared with their competition

Gallup 2012 meta-analysis of Q12 findings from 49,928 work units, including nearly 1.4 million employees
### Most Impactful Employee Engagement Drivers

How important are each of the following in terms of their impact on employee engagement?

Top box scores for all respondents (8–10)

<table>
<thead>
<tr>
<th>Driver</th>
<th>Score</th>
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<tbody>
<tr>
<td>Recognition given for high performers</td>
<td>72%</td>
</tr>
<tr>
<td>Individuals have clear understanding of how job contributes to strategy</td>
<td>70%</td>
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<tr>
<td>Senior leadership continually updates/communicates strategy</td>
<td>70%</td>
</tr>
<tr>
<td>Business goals communicated company-wide and understood</td>
<td>69%</td>
</tr>
<tr>
<td>Individual staff goals aligned with corporate goals</td>
<td>67%</td>
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<tr>
<td>Assessments and performance reviews aligned with corporate goals</td>
<td>64%</td>
</tr>
<tr>
<td>Some or all staff pay linked to corporate goal achievement</td>
<td>54%</td>
</tr>
<tr>
<td>Training and development organized around corporate goals</td>
<td>52%</td>
</tr>
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Objective: Identify best practices for employee communication in an environment that is increasingly globalized, digitized, and empowered.

Explore
- Depth interviews with best-in-class global internal communicators
- Identify structure, philosophies, practices
- Identify tools and assets for achieving success

Assess
- Analysis and theme identification
- White paper, infographics

Quantify
- Survey of global organizations on i.c. topics
- Measure key principles, priorities
- Utilization of specific approaches, strategies, tools, or techniques.

Discover
- Best-in-class practices for organizational communication.
- Includes ID of structures, strategies, tools, and techniques.
THE QUALITATIVE RESEARCH
Interviews We Conducted to Explore & Assess

- Engaged KRC Research to interview internal communications professionals at 10 world-class corporations
- Companies chosen based on global scope, market leadership and perceived effectiveness in internal communications (frequenters on the most-admired or best-places to work lists, awards)
- There were common practices across the companies – 10 areas were identified as particularly important
Be a business leader

Have line of sight to end-goal when communicating change

Challenge others to contribute to growth

Develop a roadmap for change

Create an internal stakeholder map

Act strategically with company leaders

Adopt authentic voice

Utilize line of sight managers

Dedicated content strategy

Measure!
Insight: Tectonic Movement is Reshaping Organizational Communication

“OLD MODEL”

- Activity, Even as Focused on Employee Satisfaction, Motivation
- Awareness is Key Measure
- Communicated for the Corporation
- Boundary-Driven: Siloed, Two-Way Information Flow
- Employees Viewed as a Homogenous Audience

CREATING VALUE IN TODAY’S ENVIRONMENT

- Analytics-Based, Business Performance, Outcomes and Strategy Socialization
- Discussion, Dialogue, and Debate
- Optimized Corporation’s Ability to Communicate
- Segmented; Targeted for Influence, Engagement, Social Prowess
The Return: Innate Belief in the Importance of Employee Communication

Informed employee → Knowledgeable about company → Feels engaged, and valued

Is more productive → Longer tenured → Becomes an ambassador
The 22 Factors of Success

Tools & Resources
- Periodic assessment of employee perceptions
- Have “listening posts”
- Having a roadmap of organizational changes and developments
- Having an internal stakeholder map
- Having internal social media sites/platform

Organizational Structure
- Internal communications lead having oversight of all key internal communications in the total organization
- Team leaders participate in total organization strategy session
- Having an internal communications team leader report to the leader of corporate communications, or of the company
The 22 Factors of Success

Practices

• Keeping employees informed in a timely manner
• Keeping employees informed of the context of current issues
• Keeping employees apprised of organizational change and development
• Adopting an authentic voice for all internal communications
• Communicating impact of organizational change
• Utilizing messaging platforms consistently
• Having measurements/metrics to benchmark strategies
• Gauge employee engagement
• Utilizing line of sight managers as communicators
• Challenging the next generation of employees to contribute to organizational growth
The 22 Factors of Success

Mindset

• An organization should be able to clearly and concisely articulate the purpose and value of change for its future success and for employees

• Internal communicators should be seen as business people, with an expertise in communications

• Strong internal communications will have a positive return for the total organization that need not be proven at every juncture

• There are shared viewpoints up and down the chain of command about the total organization and the way to communicate
Perceived efficacy in internal communication is limited
Most – but not all - of the “Best in Class Factors” are widely recognized as important
Few of these factors are widely implemented
Organizational issues impact effectiveness
13 of the 22 tested factors (the basics) are seen as important

- Timely and comprehensive communications
- Consistent and authentic voice
- Consistent channels
- Monitor employee perceptions
- Supportive organizational structure

5 of the factors (strategic & innovative) not as important, including

- Using line of sight managers as communicators
- Internal stakeholder map
- Internal social media sites/platforms
Few factors in place among more than 75% of respondents, even among those factors that are more widely seen as important

• Most, though not all, say that their organization keeps employees informed in a timely manner, and keeps employees informed of the issues at hand
• Most, though not all, have internal communications lead reporting to the corporate communications leader

Fewer (50% – 70%) implement remaining “basic” internal communications practices
Even less (30% – 50%) using “strategic” practices
Perceived Importance of Actions

Mostly linear relationship between perceived importance of factors and tendency to practice

Three quadrants on perceptual analysis

- Low implementation, low importance
- High implementation, high importance. Although these are factors where implementation and importance are highest, importance still outweighs usage.
- Low implementation, high importance: These are the factors where implementation is far below a generally high recognized importance.
Utilize ‘listening posts’

Organizational roadmap of changes

Internal stakeholder map

Internal social media sites/platforms

Next generation of employees contribute to organizational growth

Shared viewpoints up and down chain of command

Strong internal communications provide positive return

Utilize ‘listening posts’

Keeping employees informed in a timely fashion

Inform employees about current issues

Employee perceptions assessment

Keep employees apprised of organizational change and development

Internal leader oversees all key internal communications activities

Communications leaders participate in organizational strategy sessions

Communications leaders report to the leader of corporate communications

Communicating impact of organizational change on employees

Adopting an authentic voice for the organization

Utilizing messaging platforms consistently

Employing analytics to regularly gauge employee engagement

Using measurements and metrics to benchmark strategies

Organizational roadmap of changes

High implementation; low importance

High implementation; high importance

Low implementation; low importance

Low implementation; high importance

% Currently Have (Already Implemented)

% Top 2 Box Important

Perceptual Map (Importance vs. Behavior)

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Implications

**Give Voice**

- When performance lags what you know as important, give voice to why it matters
- Move from agreeing, to articulating the value to the organization

**Question**

- When factors of important don’t feel relevant, pause and ask yourself why
- Is the focus too much on ROI?
- Is it just too difficult to sell-in?

**Look Beyond Challenges**

- If its implementation or building a case for a factor of importance that is the biggest challenge, look beyond it at the true value and virtue of the factor

**Share**

- If a factor of importance has a positive yield for your company, share.
- In sharing we discover what we don’t know today, and create good examples for inspiring future growth
What Will ‘Good’ Look Like?

Employees are hearing the message about becoming what future cuts mean for them and their departments. It’s Your Business (Lean) is showing in both survey.

Employees are frustrated – and is showing in both survey.

What does ESP mean for you?

Believe Again

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