

CHAPTER 11

INTERNAL COMMUNICATION

Organisational communicators get involved in communicating with a wide variety of stakeholders: suppliers, employees, partners, contractors, customers, and so on. “Internal communication” is communication with employees. The terms internal communication and employee communication are usually used synonymously. Note that we communicate “with” employees, not “to” them, as communication is a two-way process.

A number of studies have shown that communication is important for organisational performance. This is not surprising as organisations succeed not only because they have a good strategy, but also because employees are able to deliver on the strategy. This requires employees to both understand the strategy and how they can contribute to it.

IN THIS CHAPTER WE’LL CONSIDER

- what the organisation expects of internal communication
- what employees expect of communication in their organisation
- what research of employees in Australia tells us we should be doing
- some conclusions to indicate priorities for communicators internally.

WHAT THE ORGANISATION WANTS - OBJECTIVES OF INTERNAL COMMUNICATION

Internally we communicate to create meaning to influence behaviour

Communication is the management of messages for the purpose of creating meaning as we saw in Chapter 1. Inside organisations we communicate not just to create meaning, but also to influence how the members of the organisation act or behave. Above all else, internal communication is about influencing or changing the behaviour of employees.

Sometimes communicators say they have less ambitious objectives than changing behaviour. They may wish only to influence employees’ knowledge or understanding, but ultimately they are doing this to influence how employees act in some way at some time in the future.

The term “audiences” is widely considered to be inaccurate when describing groups of employees. After all, communicators are attempting to do more than get them to listen. Many specialists prefer to talk about “stakeholder groups”.¹

Providing information to employees may create meaning, but information alone will very rarely change behaviour, at least unless it comes from a trusted source. The quality of relationships within the organisation at all levels and among all members is critical to the creation of meaning that changes behaviour.

In a focus group in a suburban insurance office a young clerical assistant said “information is not communication – you should know that”.

Yes, transmitting information does not necessarily create meaning. As Bill Quirke of Synopsis in London once pointed out correctly:

Information can travel over wires. Communication happens between ears.²

The challenge is how to create meaning to support organisational objectives

In Figure 1 we’ve set out a way to think through what it is that internal communicators should be attempting to do.

The starting point (on the left) is the organisation’s vision, mission, goals, charter (or whatever the organisation’s purpose is called). For the organisation to succeed, the various business units need to achieve their particular objectives (at the top of the diagram).

As communicators we need to consider both the purpose and required performance objectives and attempt to manage communication “interventions” (at the bottom) to influence employees’ thinking and behaviour so that the business units perform as well as they possibly can.

We have considerable control over some things that determine behaviour in the organisation (such as training, policies, procedures, rules, systems, and so on). But in other respects we have far less influence over behaviour. We cannot easily change employees’ beliefs, opinions, and the organisational culture that determines habits, norms, and how things are done, at least in the short-term. We need to work on these over a long period of time. As Peter Senge reminded us:

...new insights fail to get put into practice because they conflict with deeply held internal images of how the world works, images that limit us to familiar ways of thinking and acting.³

We need to pay attention to the total communication process

Notwithstanding that communicators will be involved in putting together communication programs, it is important to recognise that inside organisations communication is a “process” not a series of programs. In every organisation there are many things that provide employees with “experiences” that create meaning. These might include:

- the physical work environment, office layout, car parking arrangements
- how executives spend their time, who they talk to, and what about
- who gets promoted and who doesn't, head office or field workers
- who or what behaviour gets reinforced, recognised or rewarded
- what meaning is communicated by work systems or processes
- what gets measured by accounting systems and appraisals.

Internal communicators sometimes distinguish between “communication” without an “s” and “communications” with an “s”. What they mean by this is the difference between:

- the totality of the communication process, and
- various communications programs.

Communicators who concern themselves only with channels, media, programs or tools (such as newsletters, intranets or events) while ignoring the greater meaning created by organisational messages (such as those listed above) are not likely to make much impact.

Ideally then, professional internal communicators should be involved in monitoring and managing all of the things that might determine experiences, meaning, and hence behaviour.

The role of the internal communication function

Some internal communicators work on a “fee for service” consulting basis to business unit managers who wish to engage them. Others are attached permanently to business units to provide communication services direct to line managers. But most internal communicators are located in corporate public affairs, marketing or human resources departments. These are staff functions along with the likes of finance, legal, and information technology.

Organisations will have centralised functions for one or more of three reasons:

- provision of specialist professional expertise
- to achieve economies of scale
- for regulatory, quality control or audit reasons.

In the case of internal communication all three reasons will generally apply. So communicators have accountabilities in each of the following:

Professional expertise

Communicators should work on those things that require their professional expertise:

- coordinate a corporate communication plan to support business goals
- advise on what approach is most likely to be effective with various employee groups to achieve particular communication objectives
- research internal groups' communication needs and preferences
- develop convincing stories to best convey meaning
- train people at all levels in how to communicate effectively
- coach and counsel executives (including supervision of role-plays)
- measure effectiveness of communication.

Economies of scale

Communicators should coordinate those things that can achieve economies of scale:

- printed or other materials (DVDs, CDs) when these are appropriate
- intranet, or intranet platform for multiple intranets, video streaming
- company-wide live television.

Regulation, quality control, audit

Communicators should ensure the quality of communication:

- maintain consistency of stories re vision, values, major changes
- ensure that communication approaches and media are appropriate

- ensure that the CEO and other executives are effective communicators
- ensure that the CEO and executives are sufficiently visible (by coordinating tours of executives for small group discussions)
- measure executive and manager communication effectiveness
- arrange training, coaching, counselling (and reassignment of managers who are not able to become effective communicators)
- feedback employees' perceptions on a variety of issues.

This means that if you work on a “fee for service” basis, it is likely you will be fulfilling your potential in the first of the three responsibilities above. If you are attached to a business unit you are likely to miss out on economies of scale.

If you are in a corporate staff function you should be able to do all three. Certainly, it will be difficult to provide adequate regulation and quality control unless there is corporate funding and a strong relationship with the human resources function.

WHAT EMPLOYEES EXPECT OF COMMUNICATION IN THEIR ORGANISATION

Within organisations people communicate to carry out their roles, hopefully to advance the organisation towards achievement of its objectives. In addition, people say they communicate so they can participate in the life of the organisation. Above all else, employees also expect good two-way communication about those things which affect their personal situation.

For the organisation to achieve its objectives it is helpful that employees experience good communication. Employee surveys reveal that in most organisations the quality of communication correlates strongly with employee satisfaction with their employer. “Engaged” employees report communication with them is of high quality.

There are many aspects to communicating with employees

Research shows that employees want communication (ideally meaningful two-way interactions with people they trust) on a variety of topics. These include:

Job role communication:

- adequate induction, job and skills training, “need to know” information
- what's expected of them (performance expectations)

- feedback on how they're going (performance feedback)
- good communication from those they depend on to do their jobs
- access to information and people who are experts in special areas.

“What's in it for me” communication:

- career development, training, learning, advancement
- salary, leave, benefits, hours, work schedules, and the like.

The organisation:

- what the organisation is trying to achieve (vision, mission, goals)
- how the organisation is performing (feedback from stakeholders)
- how their work fits in to the organisation's strategy
- the extent their contribution is valued
- communication about major changes.

Recognition and appreciation:

- acknowledgement that they exist and are valued
- appreciation when they or their teams do a good job
- recognition of special efforts, ideas, contributions, results.

Involvement and consultation:

- being asked their opinions about their jobs and work environment
- being invited to contribute their ideas in areas of their expertise
- being consulted about changes that affect them or their work.

Team or local workgroup:

- how they fit into the team and contribute
- how the team or workgroup's role is valued
- feedback on how the team is going.

HOW TO MANAGE COMMUNICATION

Who should communicate

During the 1980s research in North America asked employees who they wanted to get “important information” from. Invariably, the “immediate supervisor” edged out all other listed sources. But the methodology of this research was faulty. Respondents were not asked who they wanted to hear from on different topics or subjects.

The result of this research has been the widespread misunderstanding that employees want their immediate supervisor to be the key communicator on ALL topics.⁵ That this is not the case has been confirmed by countless communication audits over the past 12 years. All organisations and stakeholder groups produce different findings. (See the Standard Chartered Bank case study at the end of this chapter for an example of what is typically found.)

But there are some generalisations we can make on the basis of research:

- the chief executive should communicate the future direction of the organisation (and possibly how the organisation is performing)
- the immediate supervisor should communicate job expectations and provide performance feedback; and advise of training opportunities
- team meetings are liked for local issues such as new products and services, interaction with other teams, and news on competitors
- business unit managers (such as divisional or branch managers) to communicate business unit matters at a high level
- professional employees are far more likely to want to hear from senior people than their supervisors
- call centre workers, who spend their time in front of computers, are more likely than others to prefer face-to-face communication
- blue collar workers are often more likely to prefer more information from their immediate supervisor.

Research results reveal:

- face-to-face discussions are generally better than other approaches
- small group meetings (no more than about 50 people are better than large events where it is not possible to have meaningful interaction)
- cascading team briefings may work, but only if briefers are well-trained
- senior executives need to communicate major changes live.

Despite the misleading folklore that immediate supervisors should be the key communicators, employees generally say they want to hear major changes (such as redundancies) from senior people, possibly the CEO, rather than from their immediate manager who may not have the information to fully brief them, or the authority to answer their questions. If the changes are of a technical nature (for example, to do with information technology or superannuation) it is likely that employees will respond well to the opportunity to discuss these with appropriate specialists.

One of the reasons many believe the immediate supervisor or manager is the preferred source is that he or she should best know the needs of team members. And this is likely to be the case. But research findings show very clearly they are not the preferred communicators on all topics.

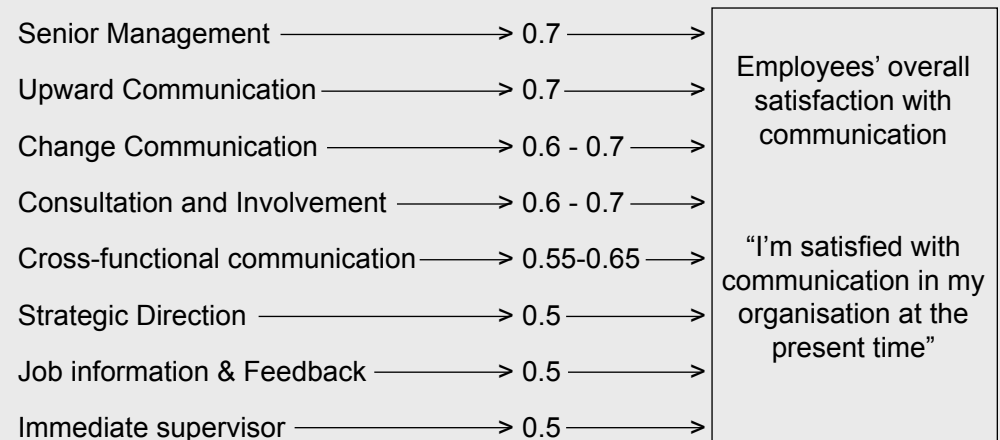
The key drivers of employees' satisfaction with communication

By using correlational techniques to analyse the results of communication audits, researchers have been able to ascertain which aspects of communication are the key drivers of employee satisfaction with communication in the organisation.

Figure 11.3 and Table 11.1 show typical correlations. Overall, the key drivers of satisfaction with communication are senior management communication and upward communication, or the extent to which management understands and listens to employees. (Correlations show how strong a statistical relationship is, but not what causes what. A perfect correlation is 1.0 and no relationship is zero.)

Table 11.1 also shows the best scores as well as the positive and negative medians from an Australian database of communication audit scores.

Figure 3 Typical "key drivers" of employee satisfaction with communication



The numbers show typical correlations with Australian employees' satisfaction

with communication in their organisations

Table 11.1 Australian database of communication audit results ⁷

	Typical* correlations	Best score %	Medians	
			pos. %	neg. %
Overall satisfaction with internal communication	1.0	52	40	25
Extremely strongly correlated with overall satisfaction				
Senior management communication	0.7	54	38	25
Upward communication (to management)	0.7	64	40	33
Very strongly correlated with overall satisfaction				
Change communication	0.6-0.7	53	36	29
Consultation and involvement	0.6-0.7	50	40	37
Cross-functional communication	0.55-0.65	45	29	38
Provision of company information	0.55	58	38	25
Moderately correlated with overall satisfaction				
Communication of strategic direction	0.5	86	48	21
Immediate manager, supervisor communication	0.5	69	62	16
Team communication (including staff meetings)	0.5	77	61	14
Job information ("what's expected of me")	0.5	86	62	17
Performance feedback ("how am I going")	0.5	63	53	24
Not usually significant to overall satisfaction				
Company newsletter or publication	0.3	58	48	14
Senior executive roadshows	0.3	60	56	11
Email messaging	0.3	55	44	29
Intranet	0.3	73	62	17

*Correlation column shows typical correlations with employees' overall satisfaction with internal communication.

Communication with managers

Despite the correlations with communication in the organisation overall, at the work team level the quality of communication is highly dependent on the quality of the local manager's communication. Typically the manager's communication correlates strongly (about 0.7) with work team communication.

But the local manager is not always the individual's immediate supervisor. For example:

- in bank branches it is the branch manager, although the immediate supervisor may be the branch accountant
- in schools it is the principal, although the immediate supervisor may be the

head of department

- in legal, consulting or accounting firms it is the team's partner, although the immediate supervisor may be a director or manager.

Communicators should be working with their human resource colleagues to ensure managers' communication effectiveness is measured (with 360 degree or upward feedback systems), and that managers get the coaching and counselling they need. If individual managers are not able to gain the confidence of their subordinates they should relinquish management roles.

Senior executive communication⁸

At the organisational level it is the quality of executive communication and the ability of senior executives and managers to listen to employees that correlates most strongly with overall satisfaction. Typical correlations are shown in Table 1.

So while the communication relationship with the team manager is critical to communication in the team, it does not usually make as much difference to employees' perceptions of the quality of communication in the organisation as does senior management communication. This means that communicators will get a "bigger bang for their buck" by working to improve senior management communication than anything else.

This is especially the case as senior management communication is so poorly regarded in most organisations. The average level of satisfaction is only 38% satisfied, with a best score recorded a bare pass of 54%.

It is increasingly common for organisations to stage big communication events for the workforce, such as roadshows and "town hall" meetings. Even though these almost always involve senior executives and are often popular with employees, they do not correlate strongly with satisfaction with communication overall.

Employees want meaningful interactions with executives and senior managers. They want to have discussions, ask questions and have them answered openly and honestly. So arranging discussions of executives with groups of no more than 40 or 50 employees at a time is better than relying on big events. (Ideally five minutes of presentation about the future of the business, then discussion, questions and answers for 25 minutes at least is recommended.)

In large organisations it may not be possible for executives to get around to meet with a high percentage of employees in the course of each year. But they should at least get around and discuss issues of importance with middle and junior managers.

Communicators can arrange such tours and meetings, and leverage the events

by publicising what was covered in the formal media. And in large organisations it may well be that large events are the only way employees will get to hear the views of the CEO and other senior executives. So there may be a place for these. But communicators should not kid themselves that these are powerful enough to make much of an impact.

Communication media and channels

The other thing research reveals (as can be seen in Table 1) is that the “tools” or channels (that is, the communication media) do not normally correlate at all strongly with overall satisfaction with communication in the organisation. You may be able to move information around with electronic or paper approaches, but the chance of creating sufficient meaning to change behaviour is not great.

The managing director of a merged bank sent out a 17 page memo to staff about the changes afoot. Surprisingly staff members loved it.

Only once has it been reported in Australia that a channel or communication tool has correlated strongly with communication satisfaction overall. (This was a weekly electronic newsletter in a large public sector agency with a widely scattered professional workforce.) It might happen in your organisation, but it is fairly unlikely.

Despite more than a dozen focus groups across Australia in a large organisation, not one person mentioned that there were no longer any publications or that this had any impact on communication.

In focus groups in another large organisation, hundreds of employees were asked what they'd read in their various publications that had helped them in their jobs. Only one person was able to name one story.

But, despite the lack of impact on employee satisfaction, communication media may be effective at moving information around, especially in large organisations. So communicators will probably be required to manage a range of communication channels for this reason.

What works best will depend on various factors such as the nature of the message, the stakeholder group, and what is available. There is no magic formula.

Most communicators will have heard claims in conferences and publications of “best practice” communication approaches. There is no such thing. What is best practice depends on what is best for the particular message and stakeholder group. Just because an approach works well in one organisation or for one group of employees, does not mean it will work elsewhere.

There are no clear guidelines as to what may work best, but there are some general principles that seem to apply:

- IT employees like electronic approaches more than do others
- intranet is mostly used to search for information or internal contacts
- use of email and intranets can disenfranchise those without access
- email is okay for news that does not require explanation or discussion
- Ezines are acceptable for general news to staff who have terminals
- live television is liked by remote employees, especially for training
- PDAs are increasingly embraced by many but not all employees
- SMS is good for mobile employees, but probably not others
- weblogs (commonly “blogs”) are increasingly being used
- podcasts are also possible, but the value of these is uncertain
- scattered employees like live television for training purposes
- publications enable employees to be provided details to retain
- publications are best for internal job vacancies (to read in private)
- publications can carry sponsorships, community activities, social activities, staff benefits and profiles of the organisation's people.

Unless the messages you are carrying in the electronic or print media are from trusted sources, the chances are not high that you are going to have sufficient impact to change behaviour.

What's important is the quality of the relationships throughout the organisation, and especially the quality of communication to and from the senior managers and executives in the organisation.

BOX 11.1 THE NEW BREED - ADAPTING AND LOVING IT

While some communicators haven't yet tuned into the big picture, others, like Marcel Auclair at Alcan in Montreal, clearly have....

"One week I might facilitate a committee to develop performance indicators, and the next week help work out the details of announcing a plant closure"...It's never the same, and it's never dull"....

Auclair says he knew he lacked skills in some areas and sought out training in consulting, meeting facilitation, media relations, negotiating and social styles (models for recognising personalities and work styles of various individuals)....

"It's funny, we're called communicators, but when I first started consulting within the company, I didn't have a clue about interpersonal communication - solving conflicts, listening - the things that the division managers really needed help with.

"Our head auditor called me once and said, 'I don't need another newsletter; I need to be able to conduct more effective meetings'. And, he asked if I could help. I facilitated some meetings and did some team-building, and it worked, even though it was my first attempt"...

Part of Auclair's in-house success is due to his familiarity with the company culture. "We are allergic to the word 'program'. Most of what I do involves 'no money, just your brain'." He was involved in a number of plant closings during the company's restructuring, and after participating in several, he was asked to prepare "Downsizing Guidelines", a document to help managers facing the restructuring task...."

SOME CONCLUSIONS - PRIORITIES FOR COMMUNICATORS INTERNALLY

Our organisations expect us to communicate to systematically support the business objectives. To do this we have to support employees' communication needs.

A new approach on the part of most communicators is called for. The interview reproduced in Box 11.1 was recorded more than 10 years ago. Yet many communicators are still stuck in a print, program, writing frame of mind.

Communicators should work on relationships, not just send out messages

Relationships are more important than messages. Employees will base their judgement of those who communicate with them on their experiences with them, often over many years, not necessarily on the content of messages.

An analogy may be the decisions we all make (about our behaviour) to buy products or services, or vote in elections. To what extent are we influenced by advertising? The reality is that we all make decisions influenced by our own observations and maybe what we hear from those we trust. These may include relatives, work colleagues (such as opinion leaders, immediate supervisors) and trusted senior executives or managers.

Communicators therefore have a vital role in developing quality relationships throughout the organisation. Despite this, many internal communicators persist in sending out a plethora of messages (information) in the hope that they will have some impact and create meaning. It's not that easy.

Communication is everyone's responsibility

The reality is that, in the main, communicators themselves should not be the only ones doing the communicating. This is the job of everyone in the organisation, particularly of executives and managers who need to "engage" employees to inspire them to give what is referred to as "discretionary effort" to the organisation. That's not to say communicators can't manage the formal communication channels and media and coordinate various communication efforts.

Communicators, as specialists in the field, have a key role to ensure that communication in the organisation is of high quality and effective.

Communication is a process, not a series of programs

With employees' experiences playing an important part in determining the quality of relationships and the extent to which employees trust communicators, it stands to reason that it is the total communication process that is important within organisations. What employees experience from the totality of communication overall is more important than individual communication programs. Yet many communicators continue to roll out program after program without considering the meaning communicated by the totality of the communication in the organisation.

We should work on the things which have most impact

Communicators should not neglect the things that do correlate strongly with overall satisfaction with communication. We can have considerable impact by helping executives and managers improve their communication with the workforce, helping everyone in the organisation improve face-to-face communication, working with training people to provide communication training for everybody especially managers, and so on.

Many communicators work only on a very limited number of activities, rather than with a broad range of things, including face-to-face communication.

I presented the findings of this research (as shown in Table 1) to a group of professional communicators. I asked why is it that given what we know about the key drivers of communication satisfaction, that many communicators still spent most of their time on things that make almost no real difference. One participant said “it’s easy, we do what we like doing – we love writing and whether it’s printed publications, email or the intranet does not matter”.

What the correlations show is that communicators should be working inside their organisations on what makes the most difference to employees’ satisfaction with communications in their organisations. For example:

- working with the CEO, executives and senior managers, especially to improve their relationships with the people of the organisation
- ensuring that upward communication happens and that executives seek out employees’ comments and listen well
- helping managers communicate changes effectively (and senior executives for major organisational changes)
- consulting and involving employees in likely changes
- improving communication across business functions and areas.

To do this communicators need to coach the communicators and provide the media for them, and to leverage their messages. Giving internal publicity to what executives are saying is part of the formal communication process.

BOX 11.2 THE CHANGED ROLE OF INTERNAL COMMUNICATORS

Old (ineffective) communicator role	New enlightened (effective) role
Reactive, issue driven, ad hoc	Proactive planning to achieve vision
Sending of messages to workforce	Genuine attempt to transfer meaning
Sending out a lot of information	Works on relationships at all levels
Focus on writing, print orientation	Focus on meaningful interactions
Emphasis on formal channels, media, events, information tools, programs	Considers environment and meaning from “organisational messages”
Program orientation	Process orientation (ongoing)
Relies on media solutions	Relies heavily on face-to-face
Objective is to inform audiences	Objective is to change behaviour
Key output is collateral produced	Key outcome is improved performance
Communicators do most of the communicating (i.e. informing)	Everyone, especially executives and managers do the communicating
Produces things at managers’ behest	Decides on most appropriate approach
Stand alone communication programs	Interpersonal, print, electronic integrated

SUGGESTED FURTHER READING

Best books on internal communication

D’Aprix, Roger *Communicating for Change: connecting the Workplace to the Marketplace*, Jossey-Bass, San Francisco, 1996

Quirke, Bill *Making Connections*, Gower, 2002.

Holtz, Shel *Corporate Conversations*, Amacon, 2004

Shaffer, James *The Leadership Solution*, McGraw-Hill, London, 1996

Best references on communicating change

Gray, Rodney and Castles, Gerard “*Communicating Change in the Organization*”, *Inside Organizational Communication*, IABC, Jossey-Bass, US, expected out in early 2006.

Smythe John, *Engaging Employees: How to Create a Communication Culture That Delivers*, Gower, UK, Due out late 2005. (ISBN: 0566085615)

Feldman, Mark and Spratt, Michael *Five Frogs on a Log: a CEO’s field guide to accelerating the transition in mergers, acquisitions, and gut wrenching change*, Harper, 1999.

Taylor, Carolyn *Walking the Talk*, Random House, 2005.

Quirke, Bill *Communicating Corporate Change*, McGraw Hill, London, 1996.

USEFUL WEBSITES

www.melcram.com www.synopsisonline.com
 www.ragan.com www.holtz.com
 www.iabc.com www.iabcnsw.com
 www.iabcvic.com.au www.sbcq.com.au
 www.employee-communication.com.au

CASE STUDY 11.1: HOW STANDARD CHARTERED BANK USED RESEARCH TO IMPROVE MIRALE AND ENGAGEMENT

Standard Chartered Bank is a global corporation that employs around 5,000 people in Hong Kong.

In 2001 the Hong Kong executive team believed better communication would improve morale and engagement, but were not sure what changes would have the best chance of success and be most cost-effective. Communication in branches was primarily face-to-face with local managers, plus newsletters, quarterly management videos for team discussions, and bi-annual all-staff meetings. At the time branches did not have extensive intranet or email access, but have been connected since.

Elizabeth Armstrong, then Senior Manager, Corporate Affairs, decided to survey employees; act on the survey findings; and then resurvey to measure any improvement.

An usually short questionnaire (of only 28 items, two tables, and a comments section) was designed and sent to a sample of 1,500 employees across the bank. It measured how positive employees were in respect of the main aspects of internal communication. In the tables respondents selected their preferred source of information for 24 different topics such as the future direction of the bank, job vacancies, performance feedback, and change projects. They were also asked how interested and informed they were on these topics in order to measure the information gap.

Rodney Gray (of the consulting firm Employee Communication & Surveys in Sydney) analysed the results, compared them to audit benchmarks, identified the “key drivers” of satisfaction, and reported comments. In addition, the research revealed the sources and media employees preferred for the 24 topics, and what they wanted to know more about.

Improvement from May to December and correlation with overall satisfaction

	Improvement %	Correlation
Overall satisfaction with communication	5	1.00
Openness of communication	6	0.71
Trust of senior management	11	0.69
Upward communication	5	0.69
CEO communication	5	0.63
Official communication channels	1	0.63
Change communication	7	0.61
Downward and Job communication	4	0.54
Immediate manager or supervisor	6	0.52

Elizabeth Armstrong and her team then conducted a campaign to tackle the priorities, to communicate in the manner preferred, and to narrow the content gaps. For example, activities included bringing managers together for a series of breakfast meetings addressed by the Group Executive Director and CEO. These covered values, business updates and motivational speeches. “Cascade Packs” of materials enabled managers to then brief their teams.

A follow-up survey only six months later showed employees were already more satisfied in all of the categories (into which the 28 survey items statistically clustered). Research was thus able to demonstrate the effectiveness of communication efforts in various areas.

The project received a number of major awards: IABC Gold Quill and Business Issues Awards, Golden World Award from the International Public Relations Association, and the Asian PR Week Award for Internal Communication.

How retail bank employees in Hong Kong typically wanted to receive different types of information

Type of information	Preferred source for this information
Standard Chartered Bank's achievements	CEO live or email
Change initiatives (e.g. "Fit for Growth")	CEO live or email
Employee success stories (recognition)	CEO live or email
Senior executive appointments	CEO email, Intranet
Customer feedback on products or services	Business head email, Intranet
New policies and procedures	Business head email, Intranet
Electronic technology initiatives	Business head email, Intranet
Recognition	Immediate manager face-to-face
Pay and benefits	Immediate manager face-to-face
Career development and training	Immediate manager face-to-face
Industry initiatives affecting the company	Intranet, Business head email
Regional Group news	Intranet, Business head email
Business updates	Intranet, Business head email
New products and initiatives	Intranet, Business head email
Executives' speeches (external)	Intranet, SC News publication
Standard Chartered Bank's press releases	Intranet, SC News publication
Media coverage / SCB response to media	Intranet, SC News publication
Competitors' performance	Intranet, SC News publication
Job vacancies	SC News, Notice board, Intranet
SCB's community commitment	SC News publication, Intranet
Program CARE	SC News publication, Intranet

CASE STUDY 11.2: COMPANYONE VALUES PROGRAM

SITUATION ANALYSIS

The Water Corporation is responsible for managing the provision of water and wastewater, and some drainage and irrigation services, throughout Western Australia. It was established on 1 January 1996 following a restructure of the State's water industry. It has an independent board and operates under commercial principles, declaring an annual profit and dividend to its shareholder, the State government.

Its employees, formerly public servants, are required to work within a competitive business framework, and it was no longer 'business as usual.'

In 1999, when the new entity was well established, the managing director announced a new "CompanyOne" vision to speed up the commercial transition.

The program aimed to transform the thinking and behaviour of some 2,000 staff to enable the Corporation to become company of first choice in the Australian water services industry.

In order to achieve a consistent and cohesive approach to this program, a new set of commercially-focused values was introduced to establish common ground and create a single mindset in all parts of the business. Associated 'shift statements' were developed to spell out the difference between how employees thought and behaved in the past and how the Corporation needed them to think and behave in the future to achieve business objectives. The values are:

1. Viewing customers' needs through their eyes
2. People are our greatest strength
3. Caring for the business
4. Investing in our society
5. Taking charge of our destiny.

There was a compelling need to ensure that the values and shift statements were properly understood and acted on by all employees. An ongoing employee communication strategy was launched to address this. The strategy needed to be carefully planned to ensure employee support on this crucial issue.

GOALS AND OBJECTIVES

The primary goal of the CompanyOne Values employee communication strategy was to ensure that all employees understood, accepted and implemented the values and shift statements in a consistent way to speed up the Corporation's transition to a truly commercial and customer-focused organisation.

Secondary objectives were to:

- Obtain the commitment of managers to champion the values and lead their adoption
- Encourage development of local implementation plans to suit operational conditions across the vast state of Western Australia and differing subcultures within the Corporation
- Encourage employees to identify how the values should be applied locally
- Reward and recognise staff who demonstrated excellent behaviours in line with the values and promote good examples to key audiences (both internal and external)
- Foster open communication and encourage staff feedback at all levels of the organisation.

RESEARCH

Research for this communication strategy drew largely on employee consultation, which filtered up through 40 members of a cross-business team established to develop and promote the values. Feedback was also obtained from focus groups conducted to help develop the values and shift statements. This activity helped to identify employee doubts or concerns as well as positive responses, all of which needed to be addressed.

Staff attitudes were benchmarked on the Corporation's existing position for each value and shift statement. A values assessment tool was developed, enabling the Corporation to measure progress. Results from these were used to help guide the communication strategy and its effectiveness.

Earlier research into employee attitudes on various issues was also referred to, as it remained relevant to this strategy.

TARGET PUBLICS

The target audience for this communication strategy was broken into the following categories:

Target	Communication Focus	Issues
Managers	Highlight the importance of managers participating in the process to develop a local communication strategy and champion the CompanyOne Values.	Workload levels severely limited managers' availability, however leadership and commitment would be vital for the program to be successful.
Section / Team Leaders	Highlight their importance in participating in the process as past research has shown that section managers and team leaders have the most influence on regional staff.	As above.
Staff	Ensure staff understood the reason successful organisations place emphasis on values and the process developed to enable employees to relate the values to their local work areas.	Staff would need to understand the benefits of the values (for both themselves and the business), and the implementation process.

COMMUNICATION STRATEGY

Managers of all operational areas across the State were required to develop local values implementation plans and communication strategies, and were held accountable for their success. These made use of an existing teams structure and ensured that the plans and strategies were appropriate for each area, taking into account the nature and location of their operations.

Corporate communication initiatives formed an umbrella over these local activities. Existing corporate employee communication channels were used, and new communication tools, including a values information kit, developed to support these efforts.

A Champion Group of key employees was established and given training to co-ordinate and promote the implementation and communications programs and provide feedback to senior managers on their progress.

Senior managers also promoted the program through messages in existing communication channels and attendances at events such as lead team meetings and recognition events.

An Involvement Scheme was introduced in September 2000 to provide direction for new ideas, encourage innovative thinking and recognise staff achievements. The level of recognition and rewards is based on relevance to the corporate values. It is aligned to a new Chairman's Awards scheme to recognise CompanyOne behaviour in the area of innovation.

Also, staff at all levels were encouraged to openly discuss the values process and challenge people or groups across the Corporation not living the desired behaviours. A direct email hot-line to the managing director was established to demonstrate management's commitment to the values with answers published in the fortnightly staff newspaper.

KEY MESSAGES

The following key messages were adopted for this communication program:

- Innovative cooperation and enthusiastic support of everyone would be required for the Water Corporation to become the company of choice for anyone requiring water or water-related services.
- It's time to move in a new direction ensuring future opportunities are acted upon and to safeguard our current diverse business activities.
- The keys to an exciting future rest with responsiveness, flexibility and a totally

commercial approach in our thinking and behaviour.

- CompanyOne is about shaping our future ourselves.
- We will only achieve our goal by a transformation in the way we think and behave!
- The CompanyOne Values program is the vehicle to transform our thinking and behaviours.

COMMUNICATION CHANNELS

A range of communication channels was employed for this program, ensuring that all employees were reached, and information received was clear and complete. Ample provision was made for employee feedback. The program used:

- INew-look staff newspaper (renamed to CompanyOne)
- Values information kit (video, posters, flyers, values survey assessment forms and presentation slides) to help managers communicate the values in a consistent way
- Email (new *Flowing On* email newsletter was introduced to brief staff on current issues, to encourage employees to be advocates for the Corporation)
- Staff meetings (including state-wide tele-conference link-ups) and training
- New Employee Involvement (Innovation and Recognition) Scheme
- Values feedback mechanisms, including managing director's e-mail Hotline
- Intranet – CompanyOne Values homepage to help staff to live the values.

IMPLEMENTATION

The managing director launched the CompanyOne Values Program and communication strategy at a special function in August 1999, attended by senior managers and CompanyOne Champions from across the Corporation.

Managers were given information kits and a range of other supporting communication tools to promote the values. This information was released simultaneously across the state shortly after the launch to coincide with promotional articles on the values in the Corporation's fortnightly employee newspaper that was renamed CompanyOne. The newspaper regularly includes reports promoting desired behaviours and a "Getting it Right" segment featuring letters from customers praising staff for excellent service. A managing director's Hotline

segment was also introduced to answer staff questions on the Corporation's new strategic directions.

Functions were held across the business to announce how the values would be implemented locally, with the CompanyOne Values video shown to staff to foster understanding. The following program mounted by the Perth region is an example:

LOCAL IMPLEMENTATION

The Perth Region Business Manager unveiled the region's local implementation plan and communication strategy at a special staff function in October 1999. The first stage of the program ended on 30 June 2001. Key steps in the process were:

August 1999	Corporate CompanyOne Values Cultural Change Program unveiled.
October 1999	Local Implementation Plan presented to staff at a special function. Survey conducted to benchmark staff attitudes towards the Corporation's desired shifts.
December 1999	Management team began developing local behaviour statements and values action plans for each value on how they would live the values.
February 2000	First management behaviour statements and values action plan developed.
April 2000	Staff training program began with the individual management values action plans released to staff at approximately two monthly intervals (through to June 2001).
March 2001	Local feedback mechanism introduced to enable staff to openly discuss the values and challenge people or groups across the Corporation not living the desired behaviours. Corporate staff survey conducted to track progress.
June 2001	Management and team value action plans completed and activities integrated into ongoing business practices.

BUDGET

The budget for the initial CompanyOne Values roll-out, including the communication strategy, was \$25,000. This included:

- Research
- Creative and printing costs
- Implementation costs.

In addition, the majority of costs related to employee salaries for in-house training and "face-to-face" communication.

RESULTS

The Water Corporation's CompanyOne Values change management program has proved to be an innovative change management model that can be applied to any large organisation. As predicted, the importance of managers participating in the process was vital and the greatest progress was made in areas where leadership and commitment were demonstrated.

Overall, the program was considered very successful with the values implemented across the state. The supporting communication strategy ensured the values were communicated in a consistent way with the Corporation achieving two important results:

- 1) Improved staff understanding of the company's strategic directions
Through the CompanyOne Values communication strategy and "hands on" involvement in the process; most employees were aware of the new values and had a better understanding of the company's strategic approach.
- 2) Significant progress towards the Corporation's desired cultural shifts.
The Corporation made significant progress towards being a truly commercial and customer-focused organisation over the last year. The new values and corporate shift statements not only provide staff with a framework to achieve the desired cultural shift, but enabled the transformation effort to be accurately measured.

In particular, significant improvements were made in customer service (both internal and external) through better teamwork and cooperation across groups. Managers visited staff regularly to be more visible and the internal agreements developed to define service levels contributed to improved customer satisfaction levels. In December 2000 and March 2001, the Corporation's overall customer satisfaction score exceeded 80 per cent with business and domestic customers, its highest ever score.

Improvements were also noticeable in employee communications (encouraging staff to be advocates for the business) and investment in society. The new email *Flowing On* staff newspaper led to improvement in the "people" value, particularly the "trust" shift statement. Also, sponsorship activities increased with a new community sponsorship program implemented in the metropolitan area supporting over 70 community groups in 2001/02.

EVALUATION

After the initial Values Assessment, follow-up surveys were conducted in August 2000 and March 2001 to track employees' perceptions of progress. From October 2000 to March 2001, overall progress scores improved significantly from 2.5 to 3.5 (one being how staff thought and behaved in the past and five being where staff should be in the future). Significant improvements were also made on most of the individual values. But most importantly, the Corporation's strategic directions became the top priority for staff and earlier issues raised in 1997 were no longer a concern.

Falls Corporate Research was also engaged to capture feedback from CompanyOne Values champions and managers. The aim of the research, conducted in March 2000, was to measure progress, employee understanding and attitudes towards the program, and to identify improvement opportunities.

The key findings of the survey were that the communication strategy was well received by staff with 46 per cent of managers and CompanyOne champions regarding communications as excellent.

Positive feedback was received about

- the initial launch of CompanyOne with the managing director personally promoting the new vision to staff across the state
- the new CompanyOne newsletter in keeping the vision alive
- the extent to which staff across the state understood the values and overall progress.

Source: John Steyntjes, Perth Region Communications Co-Ordinator, Customer Service Division Water Corporation, Western Australia.