



## Strategic Internal Communications: Boosting Corporate Culture, Productivity and Profitability



### UK/EUROPE OFFICE

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

### NORTH AMERICA OFFICE

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

### ASIA/PACIFIC OFFICE

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

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Online bookshop  
[www.ark-group.com/bookshop](http://www.ark-group.com/bookshop)

UK/Europe marketing enquiries  
Robyn Macé  
[rmace@ark-group.com](mailto:rmace@ark-group.com)

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Editor  
Evie Serventi  
[eserventi@ark-group.com](mailto:eserventi@ark-group.com)

US marketing enquiries  
Daniel Smallwood  
[dsmallwood@ark-group.com](mailto:dsmallwood@ark-group.com)

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International reports publisher  
Fiona Tucker  
[ftucker@ark-group.com](mailto:ftucker@ark-group.com)

Asia/Pacific marketing enquiries  
Steve Oesterreich  
[aga@arkgroupasia.com](mailto:aga@arkgroupasia.com)

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LEANNE MILLS AND SHIRLEY ANNE FORTINA



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## Executive summary

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

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

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

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

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

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

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

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

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

Some organisations seem to be getting organisational communications right. They

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

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

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

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

#### Reference

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

## About the authors

### Leanne Mills



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

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

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

copywriters to support clients' internal and external communication needs.

Leanne can be contacted through her website at [www.writeability.com.au](http://www.writeability.com.au).

### Shirley Anne Fortina



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

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

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

Shirley Anne can be contacted through her website at [www.podconsultancy.com.au](http://www.podconsultancy.com.au).

# Acknowledgements

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

## People

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## Process

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