



Research insight

# Harnessing the power of employee communication

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# Introduction

Successive CIPD *Employee Outlook* surveys find only one in ten employees feels fully informed about what's happening in their organisation. On a more fundamental level, the CIPD surveys also reveal low levels of confidence in senior managers.

Good communication is always important. In the current economic climate – as organisations continue to struggle with budget cuts and the threat of redundancies – the need for effective communication is all the more evident. With increasing transparency about how businesses operate (in an interconnected, Web 2.0 environment), it has never been more important to make sure organisations treat internal communication activities with as much care and attention as they do external communication.

Employee communication is a strand which runs through much of the CIPD's previous research outputs but seems to suffer from being considered strategically one moment and wrapped up in tactics the next. If employee communication is to be considered strategically then why does it not get more leadership attention, particularly when it so frequently arises as an issue in employee feedback?

## Purpose of this report

This report pulls together evidence and insights from the CIPD's earlier research outputs, gathers new perspectives and draws out a number of themes. Together these themes should help give the reader a better understanding of the challenges associated with and routes to improving employee communication. It also highlights the benefits for employee engagement and leveraging the HR strategy.

It includes case study examples from:

<b>BT Operate</b>	<b>Virgin Active</b>
<b>E.ON</b>	<b>Westfield UK</b>
<b>Network Rail</b>	<b>IHG</b>

This report will be valuable reading for:

- HR practitioners with responsibilities for employee engagement and/or communication
- internal communications specialists
- senior managers.

CIPD research and other sources used are referenced, but our thanks also go to the following practitioners who contributed to this report with their viewpoints and case studies:

**Dominic Boon**, Head of People, Virgin Active

**Tom Crawford**, Head of Internal Communications and Engagement, E.ON

**Mike Emmott**, CIPD, Policy Adviser

**Chris Jullings**, OD Director and **Sharon Kedney**, Head of Internal Communication in HR team, BT Operate

**Alex Kershaw**, HR Director, Westfield UK

**Jane Maxwell**, Director HR Communications and Research, IHG

**Mark Shaoul**, Head of Marketing, Network Rail.

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*This Research Insight has been written for the CIPD by Helen Rosethorn and Annette Frem of Bernard Hodes.*

# Executive summary

If HR is to play its part in driving sustainable performance and become a true strategic partner to the business, then it needs to focus more closely on the effectiveness of employee communication and see it as a key lever.

Six key themes are covered in this report and are of value not just to the HR practitioner but to leaders at all levels.

**1 A strategic approach is built on a shared sense of purpose**

**2 The importance of senior leadership attention**

**3 Engagement demands dialogue**

**4 Communication as part of good people management**

**5 Balancing the use of digital channels and tools**

**6 Measurement as part of best practice**

While the results of the CIPD *Employee Outlook* survey are worrying, there is some anecdotal evidence through the research for this insight report – although limited – that organisations have worked harder on their communication behaviours during the recent economic difficulties. Most would see this as a reaction by organisations, typically private sector – their hands were forced rather than adopting a strategic approach proactively. It will be interesting to see if the public sector will adopt a more informed approach to employee communication given the change agenda that the new Government is likely to need to drive through.

A strategic approach is the only way to move beyond superficial engagement into trust and into creating the authentic organisation employees, clients, customers and society demand today. While certain practices can help, without the right climate of openness and transparency underpinning communication, sustained engagement cannot be achieved. Because communication is about behaviour and is not an output, it will only build trust if it becomes consistent. Fundamentally communication is about managing relationships, and needs to be built into the fabric of organisational life.

Table 1: Overview of contributors' organisational settings

Organisation	Context
<p><b>BT Operate</b> c.17,500 total labour resource located in over 30 countries across the globe.</p>	<p>BT Operate implements and operates the software, hardware and networks that drive BT's services to its Retail, Global Services and Wholesale customers, and their customers.</p> <p>Sharon Kedney is Head of Employee Communications and she worked with Chris Jullings, Director Organisational Development, on the Simply Programme. Both Sharon and Chris sit within HR reporting to the Head of HR.</p>
<p><b>E.ON</b> 18,000 employees in 80 plus sites across the UK.</p>	<p>E.ON is one of the UK's leading integrated power and gas companies, generating and distributing electricity, and retailing power and gas. It is part of the E.ON group, the world's largest investor-owned power and gas company.</p> <p>Internal communication is the responsibility of Tom Crawford, Head of Internal Communications and Employee Engagement. Tom's role sits within Brand and Communications reporting to the Brand and Marketing Director.</p>
<p><b>IHG</b> Approximately 335,000 employees in over 100 countries and territories.</p>	<p>IHG is an international hotel company with seven leading hotel brands: InterContinental, Crowne Plaza, Hotel Indigo, Holiday Inn, Holiday Inn Express, Staybridge Suites, and Candlewood Suites. IHG have more guest rooms than any other hotel company in the world – almost 650,000 rooms in over 4,400 hotels. Jane Maxwell, Director HR Communications and Research, sits within the global HR function and supports the HR leadership team with their communication to the function, business and employees.</p>
<p><b>Network Rail</b> 34,000 employees based in multiple locations throughout the UK, many of whom are working trackside.</p>	<p>Since 2002 Network Rail has owned and operated Britain's rail infrastructure. Fundamentally this means running, developing and maintaining tracks, signalling systems, tunnels, bridges, level crossing and viaducts as well as 18 stations.</p> <p>Internal communication is seen as part of the overall communications strategy of the business and is led by Mark Shaoul, Head of Marketing.</p>
<p><b>Virgin Active</b> 4,800 employees throughout the UK.</p>	<p>Virgin Active was launched in 1999 as part of one of the world's most recognised and respected global brands. Virgin Active currently has 187 clubs in the UK, Italy, Spain, Portugal and South Africa with over 920,000 members. In the UK, the responsibility for internal communication is owned by Head of People, Dominic Boon.</p>
<p><b>Westfield</b> 650 employees in the UK. Locations include: head office, seven operational centres including the flagship centre – Westfield London. Currently developing Stratford City – due to launch next year.</p>	<p>The Westfield Group is a vertically integrated shopping centre group. It manages all aspects of shopping centre development, from design and construction through to leasing, management and marketing. It operates a global portfolio of 119 high-quality regional shopping centres in Australia, New Zealand, the UK and the United States. In the UK the responsibility for internal communication sits with Alex Kershaw, HR Director.</p>

# Key themes

Six key themes have emerged; many link directly to previous CIPD research, and are reinforced by other work outside CIPD circles, while others are new to the CIPD.

However, our first finding provides the overarching theme that frames all the others.

## **1 A strategic approach is built on a shared sense of purpose**

The CIPD's Shaping the Future programme is a major piece of research examining what drives sustainable organisational performance. In its interim report published in January this year, *Sustainable Organisation Performance: What really makes the difference?* six key insights were identified as potential drivers of sustainable performance. A shared sense of purpose amongst employees was a recurrent theme and was ranked as the most important insight from the report in a poll of CIPD members.

In order for a shared purpose to act as a true enabler of sustainable performance it needs to be much more than a 'nice to have'. It must be simple and clearly articulated. Moreover, employees need to be encouraged to talk about it and to internalise what it means to them, both in their roles and in how their efforts contribute to success for the organisation.

The report concludes that organisations need to do all they can to embed their purpose in employees' objectives, roles and behaviours. Top leadership have a responsibility to set out organisational purpose at the outset and evidence emerged that without this there is a lack of trust in other communication efforts – something that surfaced in the MacLeod review (MacLeod and Clarke 2009) with particular reference to the public sector. And beyond this, clear and continuous communication is crucial from all levels of management if this organisational purpose is to be translated into the day-to-day working lives of employees.

Communication becomes a logical behaviour to drive the desired strategic outcomes. In fact communication becomes a key facet of managing culture to deliver organisational goals and build a climate of authenticity, something which is becoming a recurring theme in both CIPD and other organisational research. The economic difficulties that organisations have faced in the last two years and the questions of trust in organisations and particularly their leaders by both employees and customers, are placing tangible pressures on organisations to be clear and consistent on what they stand for to all stakeholder groups.

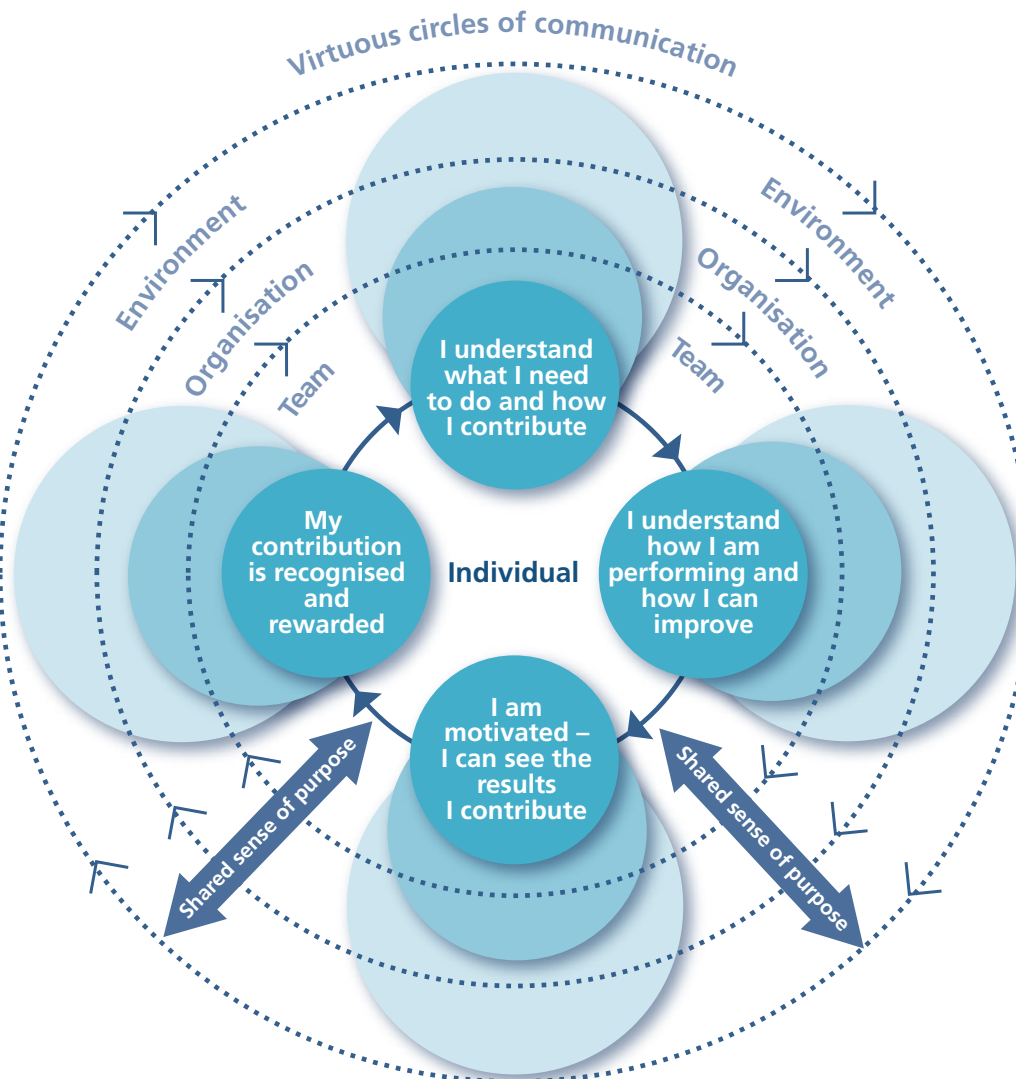
The model on page 6 demonstrates how a shared sense of purpose links an individual's spheres of influence within an organisation through virtuous circles of communication.

At the centre of the model is the individual, understanding what is required of them, how that contributes to the business, how they are performing and how their contribution drives results and is recognised and rewarded. A driver of all of this is communication with the individual, but the desired outcome only makes sense when it is aligned to the same dynamic for the team that individual sits within and the organisation itself. What supports that alignment? A shared sense of purpose. This can even be shared in the wider environment, for example by external stakeholders such as shareholders and customers.

Arguably, with this sense of linkage the organisation equips itself to manage more effectively the good times and the bad, the planned and the unforeseen.

There is of course a huge danger in making this sound too simple. Often, the larger and more fragmented the organisation the greater the challenges. And history can play its part too – with traditional groups in the workforce acting as cynics and saboteurs of the

Figure 1: Linking shared purpose, communication and employee engagement



message – something identified for example at Network Rail when apprentices, fired up following their induction by the part they can play for the organisation, go out into the field.

When Tom Crawford joined E.ON UK, 'Changing Energy' was already the declared purpose for the organisation and Tom's brief was to galvanise E.ON's 18,000 employees behind the commitment to generate energy in an affordable but sustainable way. He explains 'we need pointing in a direction – we are humans and

we want to believe in something. A common sense of purpose is the starting point because it's integral to your sense of deal with your employer.'

Tom describes the need to take the story to people in a way that is meaningful and resonates for them but also to ensure that it is clear and succinct. In E.ON they use the 'five-year-old' test – could a young child get it – before they release anything in the business. But they don't take the corporate machine approach – they use a range of approaches such as competitions to reward the

## BT Operate

BT Operate was created in 2007 through the merger of three different business areas – Wholesale, Global Services and One IT – to create a new company of 18,000 employees in over 30 countries although with a dominance in the UK. Representing the ‘engine room’ of BT the mindset of the predominantly blue collar workforce was ‘technology first and service second’ and this needed to change. The strategy for the new organisation focused on efficiency and reliability, developing pride in service and also cost reduction – jobs would go. Yet for many, despite the merger they were to all intents and purposes doing the same job – what had in fact changed? There was a need to unite the employees under a common purpose – something that signalled a break from the past but something that also engaged people for the journey ahead.

SIMPLY was the programme launched to do this. It had a number of strands of activity within it including ‘Simply the start’ workshops, which all employees were invited to attend. Information about the business strategy was shared in advance with all employees so that the workshops were not used as a classical information cascade but as a true engagement experience, where business leaders could be seen as human and have an open discussion with employees about the strategy and just what it meant. The 150 leaders assigned to run the events were given dedicated and extensive training to ensure they could appreciate their audience, actively listen, surface concerns and respond effectively to questions. The chief executive or a member of the board was at every one – the chief executive personally led 11 workshops. In fact leadership development and senior-level relationship-building were additional wins from the programme.

When it came to measuring success, immediate feedback from the workshops showed high levels of understanding and engagement with the business goals, and the quarterly employee climate survey, ‘Care’, consistently reported a 95% appreciation of the strategy.

stories at ground level where employees are ‘changing energy’ with personal recognition from the CEO.

### 2 The importance of senior leadership attention

It is disappointing that, having highlighted shared purpose as being at the heart of a strategic approach to employee communication, not all senior leaders are giving it enough of their attention nor considering employee communication as something that should regularly occupy their time.

The CIPD’s Shaping the Future research particularly noted the importance of communication through change, as did our 2005 research *HR’s Role in Organising: Shaping change* and our recent research *The Impact of Mergers and Acquisitions on Employer Brands*. Unfortunately this research also highlighted opportunities for improvement in how senior leadership tackle employee communication.

There are a number of communication traps that leaders can fall into:

- believing that their sense of clarity is shared by all employees, when there is often a lag effect to understanding – particularly during change – and a lack of communication exacerbates this
- assuming that line management is doing the job for them
- an aversion to communicating when they do not believe there is anything to say
- failing to translate their vision and strategy into a story that the wider employee community can understand and feels is relevant to them
- getting bored with messages and wanting to make change before the organisation has digested them
- failing to understand that communication is a behaviour and not just an output – something that should feel personal and authentic.

## Westfield

Westfield's key channel for driving a shared sense of purpose and understanding across divisions has been employee roadshows, where senior managers travel around the country to meet all employees face-to-face and explain the vision and goals of the organisation. In the old days, the exercise would be considered over at that point.

Alex Kershaw, HR Director at Westfield, explains how a lack of a shared sense of purpose and the feeling of exclusion can lead to conflicting behaviour at middle manager and employee level. 'Nobody gets out of bed in the morning to make anybody's life difficult. But if we don't explain to people where we are heading and how they and their fellow peers and colleagues contribute to this, then they will only work towards their own goals because that is all they know.'

'We have just completed a roadshow in each of our nine business locations over the last month but we realise that the work doesn't stop there. The challenge now is to keep momentum and to keep the vision and objectives clear in the minds of our employees by constantly repeating the message and making sure we link everything we do back to it.'

## Virgin Active

Virgin Active launched a new customer service strategy this year, which had big implications for the managers within the organisation. Historically, their managers had been concerned with costs, sales and revenue. As such, their language tended to reflect those issues. A key part of bringing about a more customer-centric culture was to ensure their communication style changed.

Dominic Boon, Head of People, explains: 'In the UK, Virgin Active had grown very quickly from 24 to 71 clubs through acquisitions. The focus had always been on being located in the most convenient area and offering innovative fitness products. It was time for us to remind ourselves and the organisation that what actually needed to be at the forefront of everybody's mind was the member experience. We embarked on a big change project with the firm belief that it was our employees in the clubs who knew what our members wanted, so we approached it "bottom-up" and got employees directly involved in formulating our new service strategy and our five service behaviours.'

'One of the big challenges that we faced was a cultural gap between the clubs and the head office that had developed over the years, and which was very much reflected in the way that the head office communicated with the clubs. The main communication flow was based on information about sales figures and revenue. So a key part of the change to a more customer-centric culture was to work closely with the senior management team to try and change their behaviours and way of communicating.'

'When visiting the centres in the past, the senior managers' first question would be around sales performance. Now the first question is "what are the members saying about their workout?" Or "can I meet some of the staff who have recently been praised by our members?" which the clubs really see as senior managers displaying more customer-centric behaviour and showing genuine interest in what is happening out in the clubs.'

The majority of specialists interviewed for this paper spent a significant part of their time influencing senior leaders to focus on communication. This wasn't for communication's sake but as part of driving engagement and for some, like E.ON and Virgin Active, driving a commitment to a stronger connection with the customer. For several the starting point for this influencing was our first theme, getting a shared sense of purpose amongst the leadership group – so that they were consistent in their message and behaviours.

With this shared view amongst leadership, the next key step is translation into a compelling story for employees, already referenced in the context of E.ON and BT Operate. At Network Rail they call the goal of this translation 'stickability' – a story that lasts because it helps answer the core questions people want to know (see Figure 1).

In organisations that are trying to make a strategic commitment to employee communication, many more senior leaders are innovating with both content and channels (see theme five) to build a sense of personal relationship and to demonstrate their openness to gaining and acting on feedback (see theme three).

However, choice of content and channel arguably should come after establishing a top-level commitment to communication as something of strategic value and creating the right organisational setting for that communication, preferably one where the level of trust and respect means that communication is credible and believed, and feedback has value. HR knows well that this can only be achieved by role-modelling in the first instance.

### 3 Engagement demands dialogue

We have already referenced engagement as being at the heart of sustainable high performance. During the economic difficulties of the last two years many organisations have recognised the need to find ways to maintain this to protect their ability to survive and also to respond in the upturn. Indeed, the 2009 MacLeod review emphasised the importance of this to drive business results.

Our *HR Director's Guide to Employee Engagement* has shown that this cannot be achieved by a top-down, 'unitarist', style of management including

communication. Organisations may be more sophisticated at using an array of channels to disseminate information, but just because it has been pumped into the organisation does not mean that employees have understood and internalised its meaning. Drawing on flow theory (a psychological theory based on the power of complete focus through immersion in the task or activity) and its emphasis on clear goals, direct and immediate feedback and the sense of personal control, none of this can be achieved without a two-way commitment to communication. While tools and systems can support this, it does of course point once again to the pivotal role played by line managers (see theme four).

The paper *Voice and Engagement: How does collective consultation contribute?* and other research (Robinson et al 2004) have also found that 'opportunities for upward feedback' and 'feeling well informed about what's happening in the organisation' are key drivers of employee engagement.

The expression 'employee voice' is being used more frequently to capture the flow from employees to management. Historically it has been associated with collective consultation, typically through union representation, but today it tends to have a wider definition. Specifically, it can mean the exchange of information between managers and employees, enabling employees to 'have a say' about what is going on, a change reflecting the decline of trade union membership and a parallel shift in the focus of the employment relationship from the collective to the individual.

As CIPD Adviser Mike Emmott argues in the paper *Voice and Engagement*:

*'The collective dimension to the employment relationship cannot necessarily be equated with trade unions, or with representation. Collective voice does not have to refer to formal processes. The social dimension of the workplace – its organisational culture – is a product of behaviour and relationships. It is a response to the quality of leadership and the degree to which communications are open and authentic. It is also about "lateral" communication between departments and teams, not simply "vertical" communication between managers and workers.'*

Organisations who believe in employee voice see the important part of the communication process as not what the employer puts out but what it gets back. Good managers recognise that much of the knowledge required for businesses to be competitive is actually in employees' heads.

However, there are differences in interpretations. Some managers see voice as enabling all employees to represent their views and for those views to be taken into account. Others take the more limited view that voice is not so much a dialogue or two-way exchange of ideas, as a mechanism for employees to transmit ideas to managers in order to improve organisational performance.

For many organisations, managing employee voice does have trade union and collective representation at its heart. In the early stages of the recession there was evidence to suggest that the climate had produced a more flexible relationship between employers, employees and trade unions with the concept of 'fairness' more open to negotiation. However, the industrial disputes which have been headline news in recent months – notably Unite and British Airways, RMT and Network Rail – have acted as an important reminder of aligning industrial relations with engagement strategies and communication as pivotal in the process.

Organisations need to consider the opportunities employees have to exercise their voice across the life cycle within that organisation and whether they are capturing feedback in a way that is measurable and

actionable (see theme six); and again for authenticity and trust to be built, this needs to be transparent – whether it is a reflection of a collective voice or for individual engagement. The key word is indeed 'dialogue' – which is more than a simple conversation but a commitment to an exchange of views and ideas.

#### 4 Communication as part of good people management

Figure 1 (on p6) demonstrates how communication helps sustain employee engagement – from an individual understanding their role and what is required of them, to their sense of reward and recognition for their contribution facilitated through a sense of shared purpose. Of course there are other factors at play but without a consistent, two-way approach to communication, this sense of 'deal' for the employee cannot be achieved.

A recurrent theme in CIPD research is the importance of role-modelling by top management and the alignment of behaviours by those who manage employees on a day-to-day basis. Fundamentally employee engagement has to be the responsibility of both senior and line management.

It is the line manager who is an employee's first port of call and it is he or she who needs to be accountable for the individual employee knowing what is expected of them and ensuring recognition is given for good work. All of this is enabled by appropriate communication – whether it is the 'set piece' such as a formal business update or performance review – or whether it is the informal 'pat on the back' or word of encouragement.

### Marks & Spencer

Marks & Spencer recently published the results from their latest employee engagement survey and despite the business challenges of the last year reported an increase in the engagement of their people. They put this down in particular to a major drive on communication that has taken place in the last 12 months. This has not just been about keeping their 78,000 employees informed but also offering them an array of channels to ask questions of their management and voice their views – such as daily 'huddles', more regular store conferences and calls with store managers, and breakfast discussions with directors with the feedback going straight to the executive committee. They have also introduced pulse surveys and listening groups to ensure that representative groups also have their voice. 'I don't believe you can ever communicate too much' is the view of Marks & Spencer HR Director Tanith Dodge speaking to *People Management* (Churchard 2009).

Research into the *Sunday Times 100 Best Companies to Work For* reinforces this. Employees across all these top companies who strongly agree that there is a culture of fairness overwhelmingly consider their line managers to be excellent role models (96.8%), compared with only 25.9% for those who strongly disagree that everyone is treated fairly.

Performance management reviews should be designed to align people to the organisational strategy and goals, and to help them see the bigger picture and know how they play a part. But all too often the cascading aspect is missed, according to Alex Kershaw, HR Director, Westfield. This raises the opportunity for performance management reviews to be recognised by both HR and internal communicators as a channel that could be harnessed more effectively for communicating strategy and business objectives.

The 2003 CIPD report *Bringing Policies to Life* concluded that line managers could make a difference to employees' attitudes and behaviours by the way in which they bring HR policies to life and show leadership. It was employees' perceptions of line management behaviours, for example, in keeping them informed about changes, giving everyone a chance to comment on what was proposed and responding to suggestions, that was the most important factor in explaining variations in job satisfaction, motivation and discretion.

Further CIPD research for the report *Line Managers in Reward, Learning and Development*, published in 2007, highlighted the particular skills needed by line managers to perform more effectively – the first being communication but also being able to listen, whether in a structured appraisal or in day-to-day coaching, giving feedback and imparting knowledge, offering recognition or having 'that difficult conversation'.

The challenge of getting line managers to be effective communicators resonated with many of our specialist contributors. Because employees depend so significantly on their line manager for that sense of connection, they are not a group that can be bypassed. Unfortunately they can be a barrier – described as the 'marzipan' layer at E.ON and 'permafrost' at Network Rail. The approach at Network Rail has been to put a major emphasis on the quality of materials provided to support manager conversations, on the basis that the better and more effective the materials provided, the better the manager can perform in the eyes of his or her people. This approach has paid back the organisation handsomely and was used in its international award-winning Safety 365 programme, which achieved significant results in raising safety awareness and driving down accidents in the organisation by 22% in its first year.

Fundamentally communication is part of the armoury of good people management skills. There is no doubt

## IHG

'IHG has a dispersed leadership group. To support communication and help align behind our core purpose "Great hotels guests love" we had to create an online community where we could share knowledge and offer continuous, collaborative, "action learning". The focus was on unlocking and sharing the existing knowledge and experience of IHG's global leaders, making leadership development and communication part of their day job,' says Jane Maxwell, Director HR Communications and Research.

The IHG Leaders Lounge is hosted by facilitators who steer the content. It moves beyond the traditional model of learning (workshops and events) to form a continuous, collaborative model of ongoing learning. Piloted in one IHG region for nine months, it was then rolled out to become a global leadership development tool in May 2009.

The benefits for this new way of leading are measured in different ways, with 'Change behaviour and increased engagement' being one of them. Lounge members have so far downloaded and shared 3,000 leadership tools with their leadership teams across the world. These tools range from 'The IHG framework for leading big change' to 'Excite, engage and motivate – a guide to effective communication'; which IHG developed on the back of the findings in the MacLeod report.

that training courses to address this abound, but just how much do organisations really prioritise this skill? Do they set the bar high enough from recruitment to performance management and reward in their line management community? At Network Rail, Mark Shaoul is realistic about the capabilities of the line. 'We don't expect middle managers to be the best communicators – they are not typically recruited based on their communication skills but on their knowledge of the job. But we tell team leaders that engagement is about talking to their people. We use the phrase "having a conversation" and we are building special cascades that allow them to do this.'

If the day-to-day translation of a strategic approach to employee communication is an enabler of sustainable high performance, whatever the strengths of top management in terms of commitment and behaviours, more focus is needed in the front line.

### 5 Balancing the use of digital channels and tools

The emergence of the knowledge worker, the global economic climate and the immediacy and transparency of life have all been catalysts for considerable change in recent times, both in what organisations are focusing on in employee communication and how they are doing it. Social networking tools in particular – used daily by millions of people around the world to ask questions, get answers and seek out like-minded individuals – are beginning to find their way into the employee communication mix.

In the past much communication tended to be one-way and to come from a small group of people. It is interesting to reflect that to some extent internal communications as a specialist function is fairly young – typically not existing in organisations until the 1980s, if not later.

Today most major companies have either an internal communications function or specialists within a wider communication function dedicated to employee communications, while digital tools have made the task far less static and more conversational.

Even in 2002 a survey by Boston Consulting Group showed how new media communication methods were taking over from more traditional approaches – with a reduction in the number of face-to-face meetings,

and online communities as the fastest-growing new channel.

However, different communication mechanisms achieve different objectives. Communication channels such as newsletters and intranet sites inform and reinforce – helping to build awareness of important news and information. They do not necessarily drive behavioural outcomes. A more comprehensive mix of channels with an emphasis on closer communication activities, such as frequent one-to-one meetings with line managers or talkback sessions that encourage debate and buy-in, are far more effective in directly changing behaviour because they build understanding and engagement.

Technology has been seen in general to facilitate communication and people management, particularly within a dispersed workforce.

Our 2007 research report *HR and Technology: Impact and advantages* featured IBM, employing 20,000 people in the UK at the time, and making extensive use of electronic tools to manage its office, home and mobile workforce. It was already using an in-company instant messaging (IM) application called 'Same Time', seen as useful because it enabled people to interact easily regardless of location, to obtain quick responses to questions and to see who was available 'out of office hours'. It was also seen as less intrusive than telephone calls but even then some IBM employees were feeling that there was too much reliance on electronic communication and managers were reporting that it was impossible to get the same degree of engagement from employees without face-to-face interaction.

A further CIPD report, *Web 2.0 and Human Resource Management: 'Groundswell' or hype?* published in 2009 highlighted the need for organisations to grasp the opportunities presented by Web 2.0 and to recognise that it offered more effective ways of achieving two-way communication, encouraging collaboration, participation and openness. It argued for improvements to business performance by talking to, listening, helping, energising and engaging employees through the use of social media technologies. It also pointed out that even if organisations are reluctant to engage with these new technologies, they may find that they have no choice other than to do so because

of the preferred way of communication of the 'V' – virtual – generation.

Some of the digital tools on offer today can to some extent create a virtual 'face-to-face' experience such as CEO blogs, following senior leaders on Twitter and webcasts to name but a few. The advantage for many organisations is the degree to which this presents senior leadership as human and 'in touch' – and there is some evidence to suggest that the feeling of a personal relationship with the CEO impacts engagement positively.

Findings from Melcrum's social media research (Melcrum 2010), which surveyed 2,065 senior communicators from hundreds of organisations worldwide, explains:

'The principal barriers preventing internal communicators from implementing social media tools within their organisations include management teams fearing the loss of control and reputational damage with almost two-thirds (64%) of respondents suggesting this as "very tough" or "tough" to get past, legal concerns (58% – very tough or tough) and inadequate metrics (51% – very tough or tough). The easiest win was seen as improving the lack of research (20.4%) or knowledge on the topic, an area communicators should, in the future, be able to rapidly alter.'

There is an interesting knock-on effect from these new approaches which has created a new law in organisational communications – *there is no longer such a thing as 'internal only'*. Much of what is published today internally finds its way very quickly to external audiences – and of course vice versa. It has always been advisable to align internal and external messaging in organisational life – today it is a necessity.

Social media is currently the 'hot' issue, with communicators and HR professionals alike trying to work out how to harness these channels to best effect (Wright 2009). They offer employees the chance to shape their own version of communication – the informal and the unregulated. This has caused concern for many organisations, unclear on the stance they should take to monitor and control – with issues ranging from reputation management to protecting their people from bullying and harassment online.

Our specialist contributors advised caution in the expectations laid at the door of social media. 'I am a big fan of social media but it's not a panacea. If you have not got the right communication philosophy inside your organisation in the first place it does not matter if what you do is on or offline' was the view of Tom Crawford at E.ON.

Mark Shaoul at Network Rail recommended that organisations concentrate on what they can control – rather than being sucked into spending too much time and money trying to track what is happening among employees on social media websites. Not least he

## Virgin Active

Dominic Boon from Virgin Active is a good example of a new generation of leaders who embrace technology and see it as a natural way of keeping in touch with employees. Dominic is also using it to keep the momentum of bringing head office and clubs closer together as part of the culture change programme.

'I'm always looking for positive things that I can tweet about when I'm out and about visiting our clubs. It is a good way to reach out to all our employees across the country, share news and recognise great performance. My tweets also appear on my LinkedIn page so it's a way to promote our clubs to my network as well. In the past, we have posted employee recognition award ceremonies on YouTube which include the People Team in fancy dress! I also send an email in the style of a "blog" to the full People Team every Friday, talking about where I have been during the week, what the week's news is and our latest customer satisfaction figures. I end it with a personal touch, such as what I might be up to at the weekend.' While Dominic was a little bit worried about how his team would respond to his Friday emails, there has only been good feedback.

## Network Rail

Iain Coucher, CEO of Network Rail, has a blog as part of an array of channels designed to offer all employees the chance to pose questions and feedback to him. He has taken a deliberate stance to hear what his employees want to say. Other channels include a roadshow of business briefings and regular town halls where the leadership team answer anonymous questions picked out by an independent moderator. Network Rail have even trialled live debate online to ensure there is two-way communication in the business and a sense of access to senior leaders. The task is still not easy. As one colleague describes: 'It's tough for Iain. We are in a changing industry and some of what is coming with this change is not always welcomed by employees – that makes Iain the man of the people but with bad news.'

warned of the immediacy of social media and setting yourself up to fail in meeting employees' expectations if you try and manage social media channels. 'Try and do your best where you can – organisations need to be sensible.'

One final but very important point is that 'one size does not fit all' and that audience appreciation is key. Only through this can an organisation achieve the right mix of channels and content. For example, if an organisation has sections of its workforce which are 'unconnected' – whether that is through accessibility issues, training or education, any communication strategy needs to take account of this. Equally, as already referenced, when it comes to balancing the choices between 'the old and the new' mix of channels, the preferred communications styles of the generations need to be factored in. For example, a report by Penna and the CIPD, *Gen Up: How the four generations work*, published in 2008 and the 2009 CIPD research report *Tapping into Talent: The age factor and generation issues* showed that Baby Boomers prefer face-to-face interaction and that Generations Y and X demand and expect constant feedback.

Communication strategies that are built on audience understanding and achieve the right channel and content mix naturally support an inclusive approach to employee engagement. This is reinforced by the CIPD factsheet on diversity pointing out that excellence in communication is central to supporting inclusivity in any organisation and touches on the importance of the choice of communication channels.

### 6 Measurement as part of best practice

The measurement of communication does not

appear in HR research or literature very often and yet measurement is essential to evaluate, guide and direct communication initiatives and investment.

It is probably no surprise that the classical measurement of communication in the world of HR emerges through the assessment of engagement – typically covered through core questions in engagement and pulse surveys. The good news is that these questions do tend to focus on communication as a behaviour and do not necessarily focus solely on outputs.

Communication professionals also see the employee engagement survey as a key route to measurement but have for a long time been unsatisfied that this does not provide the best way of measuring impact. They argue – many would say rightly – that at the end of the day it is about business results and to get a direct-line measure between communication activity and business return, a more focused approach needs to be taken and measurement built in from start to finish (Quirke 2008, Wright 2009).

Key aspects to effective measurement that emerge are:

- audience understanding and segmentation
- measurement of the whole process and not just the result
- impact assessment should include behavioural change but also business results.

These aspects are considered below.

#### *Audience segmentation*

Segmentation may be driven by talent groups and/or geographies and/or 'part' of the organisation. However

## Westfield

For Westfield, the diversity in their audience is defined by professions and they put effort into customising the messages and the actual delivery, although still using the same channel. 'We customise our Roadshow to cater for the different audiences, which range from typical corporate functions such as IT, HR, finance and marketing, to design and construction professionals on site and service staff in our centres. We try to apply a 20/80 rule to the content: 80% is the same whilst 20% is customised according to the audience. We involve the relevant senior managers for each audience, so that each part of the business gets to hear from their own leader as well as the COO. We also customise the content, expanding and contracting elements of the presentation to ensure maximum relevance for the audience,' says Alex Kershaw, HR Director at Westfield.

it may also – for example in a merger or acquisition – be driven by your place in the process, for example acquired or acquiring. It may also be linked to where you are on a change journey.

One segmentation approach used by communication professionals links more directly to audience types based on behaviours (Wright 2009).

- Recipients – employees who are either apathetic or whose interest in a topic of organisational importance is considered nice but not critical.
- Participants – people who do their jobs willingly and want to understand as much as possible about what they can, cannot and must do at any point in time.
- Rebels – a potentially corrosive element in the audience population whose own views put them in active conflict with organisational objectives.
- Champions – committed supporters of the agenda who make tangible positive contributions.

Of course this segmentation demands measurement in the first instance but given the engagement agenda it is a useful way of considering the employee landscape of any organisation.

Segmentation is fundamental to measurement at Network Rail, who have invested significantly in growing their research programme across marketing and communications in the last four to five years. They are looking to ensure that the right message is reaching the right people at the right time. Undoubtedly being a safety-conscious organisation has played its part in their data focus. They do use their employee engagement survey as a core tool but in addition have surveys online linked to events such as business briefings with an

analysis of effectiveness that goes back to the Executive team on a regular basis.

### *Measurement of the whole process and not just the result*

The additional value in measuring the whole process is that it enables continuous improvement. This means measuring impact at each link in the communication chain – from initial messages to channel effectiveness through to action and feedback. This cannot rely solely on data from an annual engagement survey. It requires a commitment to build data points into people processes across the life cycle and at regular intervals. Many communication practitioners feel that the engagement survey approach has its limitations – not asking enough of the right questions that get under the skin of communication – whether that is channel and content effectiveness, trust and belief in the messages received or the role of the line manager.

### *The impact assessment should include behavioural change but also business results*

The Network Rail 365 Safety programme also serves as an example of the importance of not just measuring the outputs but the behaviours too. If the exercise had been measured on the delivery of the programme then that would purely have been about outputs. More fundamentally it was about driving behavioural change and through that business results.

If measurement is 'built in' as part of creating a culture for strategic communication, it is in itself a major engagement opportunity. The role of the HR practitioner is fundamental in facilitating and embedding this.

## Network Rail

When Network Rail measured the effectiveness of their 365 Safety programme they wanted to understand what aspects had been more effective than others. The overall results for safety were improving with dropping numbers of 'reportable accidents'. But even though this was a result, they needed to evaluate the whole communication approach that had been taken. So they were very specific in asking employees what in particular had had the most impact in changing their views towards safety in the workplace and as a result their behaviours. Through this analysis they were able to see that certain activities they had undertaken – like going out on the road – and certain materials they had produced – in particular some hard-hitting safety videos – had had the greatest impact.

## IHG

IHG has been widely recognised for the thorough and highly successful change programme they embarked on in 2006. The aim was to create a deliberate and planned process to align their people behind a core purpose: 'Great hotels guests love'. This journey required them to be clear on enabling a work environment that allowed people to be recognised and treated as an individual. It then gave a clear steer on the values they live by – 'winning ways'. These everyday behaviours define who IHG is and what they value. Great companies know where they are going, but really great companies take their people on the journey with them – which meant IHG had to find a way to help each employee understand how they contribute to the core purpose. A balanced scorecard was introduced and 'ways of working' created – which are practical and helpful methods that help the company become more efficient and aligned. The final step in the journey was measurement and ensuring that IHG achieved the right results. Their measurements show that they are certainly doing something right. Engagement has improved 17% and the company tracks well above the service industry benchmark. When employees are asked if they are inspired to do their best to create 'Great hotels guests love', 89% of their employees agreed (up 2% from 2007). And when employees are asked if they understood how their job contributed to 'Great hotels guests love', then 94% of employees agreed (up again 2% from 2007).

'With inspiring leadership, the HR team have been in the middle of creating and supporting the company to change. My role was created within HR to help ensure we are measuring the right things and helping managers do something about the results. The communication element was added to help everybody in HR to keep pace with the changes – and as our internal communication team which sits under corporate communication expands, we will work closely together to continue to develop and support our leaders,' says Jane Maxwell, Director HR Communications and Research, IHG.

# The implications for HR

If the argument for a more strategic approach to employee communications has successfully been made alongside that for the attention and action of HR, then just what are the responses HR should consider? We believe there are three key ones.

## **1 Facilitating communication as part of understanding and managing culture**

Communication is very much about developing the organisation's culture, which should be one of the central roles of a strategic HR function.

Active cultural management is a recurring theme in recent CIPD research and has in particular emerged as a strong requirement from HR as part of the CIPD's Next Generation HR research (CIPD 2010c). HR professionals are the facilitators that should help the organisation create the right working environment through which to realise its business goals – and communication is part of this.

However in many organisations to achieve this HR needs to make or build effective working relationships with communication colleagues across the business, who may or may not sit within HR. There is a need for clarity about who takes responsibility for different areas of employee communication – and for sharing of expertise across disciplines such as HR, internal communications, PR and marketing.

## **2 Educating leaders and line managers by helping them:**

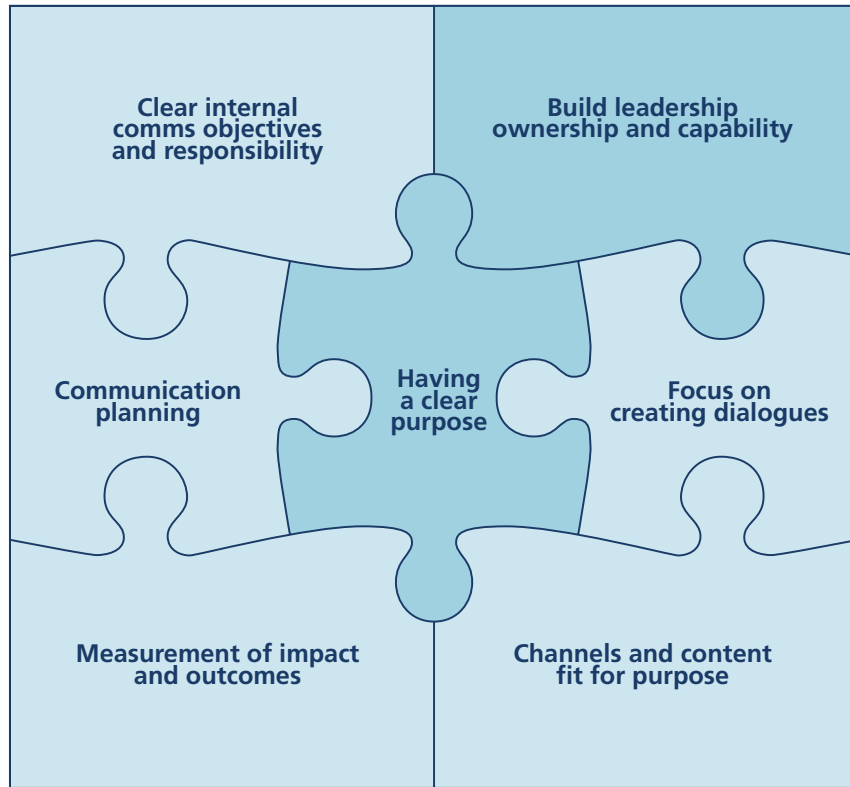
- to establish and engage employees with a sense of shared purpose
- with self-awareness of their own communication style and therefore the best approaches to take
- embrace new tools and using, as appropriate, social media.

Initiatives will fail without full support from the top of the organisation. Success depends on the existence of a consistent, clear strategy linked to a shared understanding of the purpose of the organisation. Line managers play a vital role and effective communication skills are a key element of people management which should not be overlooked. Organisations need to show that they are willing to engage in two-way dialogue with their people – which means considering new social media as well as face-to-face communication.

## **3 Helping to build measurement of communication effectiveness into the employee lifecycle**

This will not only help to track engagement but to contribute to engagement if measurement is done in the right way and used as a feedback mechanism in its own right. In turn, we know that data speaks to senior management – and can be used to ensure their engagement in the case for more of their attention.

Figure 2: Keys steps for a strategic communications approach for HR



So having argued for a strategic approach we should define what that is and how each step relates to the responsibilities that typically sit within HR.

We have developed our model (see Figure 2) from the thinking of respected communications experts, including Bill Quirke, who argues that the right approach to communication turns it into a value-creating process for the organisation (Quirke 2008).

#### **From research into practice**

Each of the key steps in the model above is explained in more detail in a practical tool for CIPD members, which has been developed on the back of the findings in this report. The tool is for those who want to understand each step in more detail and get ideas about how to start taking a more strategic approach to employee communication in their organisations.

You can download this and other web-based tools at [cipd.co.uk/tools](https://cipd.co.uk/tools)

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