



INTERNAL COMMUNICATIONS 2015

EXPERT TRENDS
AND CHALLENGES
IN EMPLOYEE CONNECTION,
ENGAGEMENT
AND READINESS
FOR THE NEW YEAR

PROVIDING THE RIGHT TOOLS
FOR INTERNAL COMMUNICATIONS

By Jonathan Erwin

Founder and CEO, Red e App

*"Internal communication addresses the most
fundamental human need – connection."*

*"Communication and connection have never been
so critical and yet so confusing at the same time."*

Choosing the appropriate tool set for your organization – one that employees will both adopt and increase engagement and communication between everyone - is a tremendous challenge. Communication is not an exact science, and we see every day how easy it is for communications to get lost in an ocean of unrelated gibberish. At the core of a successful implementation is to find the tool that addresses user behavior, that everyone sees the need for and that people enjoy using.

There is no one size fits all method of communication for organizations. Many factors come into play that are hard to measure such as culture, hierarchy, employee engagement and even location. For instance, employees that sit at a desk can use email and access an enterprise social platform, so they don't have the same messaging needs as the non-desk workforce.



Jonathan Erwin
Founder and CEO
Red e App

Instead of broad channels of peer-to-peer messaging, customary with the workforce that sits at a desk, the non-desk workforce requires a thoughtful approach to direct messaging, one that is tightly managed and cuts through layers of hierarchy to connect an employee to their employer.

When communication runs smoothly, the whole organization wins. Employees are retained, HR has a way to engage, training is reinforced, a compliance culture can be established and real time communication around scheduling, crisis or change is seamless and intelligent.

We hope that you see value from this white paper and we welcome any conversation around the trends and challenges of true connection in the new year.

INTRODUCTION



find new ways to connect with people from all walks of life

On the surface, the field of internal communications seems rather simple – communications within a company. Whether in its typical implementation – from company to employees – or in the more open, modern approaches of engaging in a dialogue, the concept isn't complex.

However, the reality of internal communications is that managers have to find ways to reach all different facets of the company – from the senior executives to the entry-level employee. In an increasingly globalized workforce, leaders in the field have to find new ways to connect with people from all walks of life. And those workers need ways to communicate back and among their peers.

The rise of employee communication apps has changed the landscape of internal communications, helping to connect employees better than ever before. Now, most large corporations use some form of instant business text messaging technology, have more modern intranets and use social media to connect with both internal and external audiences.

Employee communication apps bring benefit, but can also bring about challenges, and today's internal communications leaders face many obstacles to adequately connect their company's workforce. Business text messaging makes it easier for bad information to flow more quickly in an organization. Social media makes it necessary to engage in a dialogue internally rather than just feed information from the top down, and many executives either don't feel comfortable with or don't have the expertise to do social effectively.

Red e App interviewed numerous leaders in the internal communications field to gain insight into the challenges that companies face and what some of the trends for the field are moving into the new year. We asked nine experts who either currently or formerly worked in leadership positions in internal communications a number of questions to help guide fellow practitioners and spur thinking in their respective organizations.

The topics we covered included understanding their respective roles, the challenges that internal communications officers face, perceived gaps in internal communications in their organizations, how technology has changed the role of a manager over the last several years and what trends they believed would develop or continue into 2015 and beyond.

We interviewed the following individuals in November 2014:



Mark Sutherland
Chief Communications Officer
Elasticity



Susan Cellura
CEO
E. Marketing Communications LLC



Peter Shankman
Founder, Shankminds
Principal, Shankman|Honig



David Zinger
Founder
David Zinger Associates



Shel Holtz
Founder
Holtz Communication + Technology



Steve Kaus
Vice President, Internal Communications
Fleishman-Hillard



Gini Dietrich
Founder and CEO
Arment Dietrich



Monica Miller Rodgers
Senior Writer
Hexagon Geosystems



Heather Thompson
Media Relations Specialist
Siemens

Our interviews should not be considered quantitative research, but merely a qualitative set of focused interviews from subject matter experts in the field. It is our hope this information is useful to internal communications professionals, and perhaps practitioners with a broader focus, in defining and determining direction for the coming year.

Several themes emerged in our discussion about challenges in the field, but none stood out more than the core issue of stakeholder engagement. Among the chief issues listed, three focused on engaging specific stakeholders. From the front-line and hourly employee to international audiences, and even the task of engaging executive teams around internal communications, the focus on the stakeholders stood out.



The challenge of communicating with multiple stakeholder groups is present in all types of communications. This challenge is more frustrating with internal comms because the stakeholders are typically a captive audience, even one that can be compelled to at least read messages. That doesn't make connecting and engaging those audiences easy, though.

While technology, transparency and other issues emerged, balancing stakeholders is a prevailing theme in the industry. Let's look at the specific challenges that emerged and review what the panel had to say:

Communicating With Front-Line Employees Is Ineffective

The number one challenge our respondents faced was the issue of communicating with front-line, rank-and-file employees. Respondents consistently indicated that companies don't adequately communicate with front-line employees, particularly those that do not sit at desks and lack instant access to corporate email and intranets.

"Once a leader sends an email out recapping the quarter, they may think that they are done. But the reality is that simply won't cut it," Cellura said. "We are not all attached to a laptop computer and internal communications managers have to make sure those people don't feel cut off from the company."

The effects of not adequately connecting to lower-levels of the workforce are significant. On average, employee misunderstandings (actions or errors of omission by employees who misunderstood, misinterpreted or were misinformed about company policies, business processes or a combination of the three) lead to \$62.4 million in losses annually for a 100,000- employee firm.

(Source: The Grossman Group. (2011). Factsheet: Your Business Case for Internal Communications.)

But that is just a small fraction of the losses potentially netted by poor communication in the organization. Research consistently shows that one of the largest factors contributing to employee engagement centers on the level of communication. Less communication means less trust, more fear and lower engagement, which ultimately hurt the bottom line of a company. Gallup notes that each year, actively disengaged employees cost American companies between \$450 billion and \$550 billion annually. (Source: Cutting Edge PR. Good Communication Can Hugely Lift Employee Engagement.)

Executives Ignore Employee Communication

Many of our panel members bemoaned the disconnection of CEOs and other higher-level executives from the internal communications process. The common explanation was that executives have little appetite for this important element of leadership and management due to their time commitments. A secondary reason cited was the executive may feel uneasy about their role in the internal communications process. (Source: University of Tennessee. Internal Communication, Information Satisfaction and Sense of Community: The Effect of Personal Influence. Source: University of Alabama. (2014). Read My Lips: Leaders, Supervisors, and Culture Are the Foundations of Strategic Employee Communications. Research Journal of the Institute for Public Relations. Vol. 1, No.1.)

The main issue with this disengagement from the top is that it works directly against the company. Disengaged executives translate to unclear directives, expectations and lower morale. It is easy to understand the reasons for this disconnect. The executive set is typically not comprised of digital natives and the rise of digital-centric communications platforms and techniques – like those found in social networks – is unfamiliar and uncomfortable.

Zinger believes that many companies have not picked up on the fact that successful internal communications involve more of a dialogue than ever before. “Now executives have to be more in the middle of the dialogue rather than at the top of a perch speaking down,” he said. “The goal is to try to align the company’s people with the strategic goals of the organization.”

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— David Zinger



Research backs up the assertions.

In a study of professional communicators in 472 organizations, 46 percent indicated that one of the biggest challenges they face in their role is keeping supervisors and company leadership involved in employee communication. According to the research, “barriers included leaders not being on the same page, lack of leader visibility, lack of trust, and leaders simply not understanding or not accepting their communications roles and responsibilities.” After all, while internal communications has to be more dialogue-based than it used to be, effective businesses still need the top leaders to clearly define a vision for success and communicate it downward.

(Source: University of Alabama. (2014). Read My Lips: Leaders, Supervisors, and Culture Are the Foundations of Strategic Employee Communications. Research Journal of the Institute for Public Relations. Vol. 1, No.1)

Sutherland agrees and notes that at Monsanto, he facilitated executive briefings where he would ask the questions on the minds of employees. “It was very interactive,” he said. “It allowed executives to connect with a global employee base and allowed them to answer questions forthright from the rank-and-file employee.”

Connecting International Audiences Is Hard

The larger the company, the more difficult the internal communications process generally is. Adding international offices or even larger global expansion means adding language and cultural barriers on top of the already-present communications issues. Those respondents with global efforts indicated that connecting with international audiences is a major challenge. Both Sutherland and Millers Rodgers pointed out that the barriers of language and varying time zones not only create new problems, but can also exacerbate existing ones.

As you can see, stakeholder engagement was the root of several specific challenges in our conversations with the panel. While each is distinctive and carries with it unique circumstances and factors to consider, all combine to make engaging multiple stakeholders the primary internal communications challenge practitioners face today.

It is not the only challenge, though. Technology, transparency and clarity highlight other difficulties of the internal communications process.

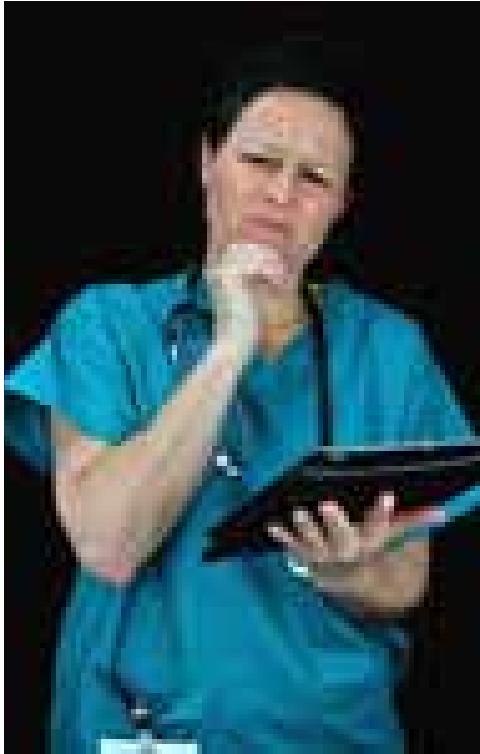
Another global communications challenge is modifying communication and delivery methods inside of an organization to meet the expectations of different customs and cultures. For instance, Salvador Apud and Talis Apud-Martinez wrote in a 2008 article that American-based organizations tend to celebrate company achievements in a “We-Are-The-Champions” type-fashion to encourage employees to continue working hard and focusing on company goals. Meanwhile, in Nordic countries, that type of communication would be considered boastful, and modest displays of achievement are valued more. (Source: International Association of Business Communicators. (2008). Effective Internal Communication in Global Organizations.)

Cannot Separate Signal From Noise

We live in an “always on” communications environment. No, this isn’t a walk down the road of companies requiring off-hours communications. More on that later. What that infers is that the audience for internal communications has a never-ending stream of messages, data, news and other communications bombarding their attention span from the time they awake until they return to a state of slumber.

The information age has evolved into the un-information age. Individual people simply have too much signal and a decreasing level of energy or patience to try and sift out the noise of today’s world.

This translates to a significant challenge in the internal communications world. Providing information to employees is one thing, but the task of the internal comms professional is to provide relevant and engaging information to the right people across the company. It is not enough to try to make those messages stand out. It’s a requirement to even have a chance they’ll be consumed.



Verbal noise and confusion are common in retail, hospital and restaurant workers.

Company intranets seem to be a constant source of difficulty for internal communications leaders. “Oftentimes, people use the intranet primarily for HR tasks and information,” Sutherland said. “Cafeteria menus are hugely popular, but other messages have to be creative. When I was at Monsanto, [the intranet] was designed as a 24/7 hub that provided up-to-date information – business acquisitions, coverage of farm shows, profiles of key leaders. We combined that with town hall meetings. Even with that, it was often a struggle to keep the content engaging.”

While many companies have made significant inroads with technology to connect with their employee base, others still haven’t jumped on the bandwagon and are resistant to change. “You see a lot of companies who are still hanging on to the attitude of ‘we have always done it that way’ instead of figuring out creative ways to connect,” Sutherland added. “It is only so effective to say ‘you have to read all of this stuff because you are an employee.’ You have to make them want to read it.”

Siemen’s Thompson points out that one of the least effective internal communications strategies is the use of “blanket emailing” the firm with an important company announcement without making any extra effort to get people to read the information. Fortunately, she said, many companies have built out internal social networking services to reach employees in a less formal fashion. “This has been of great value because when internal communications managers are looking to reach employees about certain events or alerts they have more avenues to accomplish their tasks.”

Companies Still Lack Internal Transparency

While the signal-to-noise ratio is a problem, there's also a problem with the root of the internal signals. The same executives that might be reluctant to leverage modern communications platforms are also conditioned to communicate in what is considered an old fashioned way: without internal transparency. Today's workforce expects more open and honest communications from their executives.

"We have moved toward transparency in corporate leadership in the last decade," Kaus said. "But, especially in the boomer generation, there is still a pretty big amount of hesitation to be too transparent, and what boomers and millennials feel is an appropriate amount of transparency are two very different things."

The younger generation is less apt to be engaged and enthusiastic about the work they are doing if they don't have a better understanding of why they are doing it, how it fits into the overall organizational picture and what others in the organization are also contributing. The expectation of transparency within the organization makes today's company very different than the one of even a decade ago.



“Unfortunately, a majority of executives think the best way to run a business is to not tell their teams anything, which leads to speculation and rumors.”

— Gini Dietrich

Dietrich confirms that much of the consternation that takes place in an organization centers on executives not releasing enough information to employees. “Unfortunately, a majority of executives think the best way to run a business is to not tell their teams anything, which leads to speculation and rumors.”

Lack of transparency has had a deleterious effect on the morale in workplaces. A particularly disappointing study by Maritz Research in 2011 indicated that just 10% of 1,900 employees surveyed felt their top leaders were honest and ethical. The results explained further that the more transparency that was provided in the firm, the more likely employees felt that their leadership displayed a high-level of ethics and honesty. (Source: University of Alabama. (2014). Read My Lips: Leaders, Supervisors, and Culture Are the Foundations of Strategic Employee Communications. Research Journal of the Institute for Public Relations. Vol. 1, No.1.)

Keep in mind that having an open and transparent approach to internal communications doesn’t mean every employee needs to know every company secret or every piece of information about the operation. But trusting them with a more broad understanding of the operation shows a level of authenticity and honesty they have come to expect and produces the level of responsibility required to keep certain items truly internal.

Internal Messages Don’t Always Remain Internal

Communications leaders must recognize that communicating with internal audiences and external audiences are different, but providing vastly different messages to each audience undermines internal clarity and trust. This often happens when confidential information is leaked to the press, or other situations where information is made public before employees have had the chance to digest the information.

Miller Rodgers indicated that this problem has been exacerbated by the rise of many different channels of communication. "You have to make sure the content remains the same even though the method of delivery varies," she said.

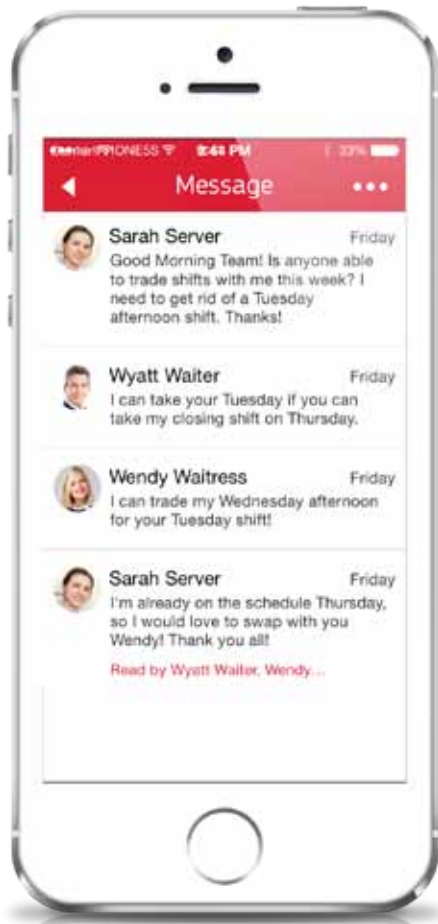
Technology Can Hurt, Not Help

Although technology plays a critical role in information distribution, research from the University of Tennessee indicates that employees at all levels tend to prefer communication taking place face-to-face. (Source: University of Tennessee. Internal Communication, Information Satisfaction and Sense of Community: The Effect of Personal Influence.) Overuse of email can be a particular cause for concern. As part of her response, Dietrich said she once remembers receiving several quarters of bad employee satisfaction surveys. She wasn't able to figure out why employee morale was so low until she was copied on an email exchange between a junior staffer and a mid-level manager. She noticed that people in the company used email to bully one another. She then required people in the office to talk face-to-face, and after a couple of people quit, morale at the organization shot up.

“Technology will continue to hinder our ability to have excellent interpersonal skills,” Dietrich said. “Kids are being bullied via the web and adults are, too. It happens more often in the workplace than not so it’s a big focus for communicators to help navigate their teams through.”

The big takeaway seems to be that while technology makes communications faster, easier, and more scalable, it is an enhancement to true, interpersonal sharing of messages and information. The company can certainly distribute messages digitally to dozens, hundreds or even thousands of employees, but the internal communication practitioner needs to ensure face-to-face dialog between managers, communications staff, human resources and the employee still occur.

WHAT'S NEXT?



Caption to be written

Where there are challenges, there are solutions, but there are also issues and ideas on the bleeding edge to keep in mind for the coming year. What good is surveying a panel of experts if you don't get their take on what is coming?

In addition to gauging the current temperature of the internal communications world, we asked our experts to look forward to the issues and items practitioners need to be aware of in 2015. The responses were intriguing. From empowering employees to the flip-side of pushing back against 24/7 connectivity, what we need to be planning for is potentially as challenging as what we're dealing with now.

Focus On Mobile, Mobile, Mobile and Maybe Wearables

Not surprisingly, nearly all of our expert panelists pointed to the increased growth in mobile employee communications apps as something internal communications managers will focus on in 2015. For instance, intranets will become mobile friendly, and more people will use mobile apps for work-related tasks and connecting with the company, its brands and the organization's values.

By 2017, 328 million employees around the world will be using their smartphone at work, which is roughly double the number today, according to recent research by enterprise mobility firm Good Technology. Still, the issue of connecting to front-line employees will be a challenge that employers grapple with once mobile becomes even more entrenched. Cel-lura notes that there will always be a group of employees who will not get company-issued phones, and even the ones that do will not receive proper training on using the device in a professional context. (Source: Re/code. (2014). As More Workers Take Their Smartphones to Work, Business Use of Mobile Apps Rises Shortly.)

Smartphones aren't the only technology that could play an oversized role in internal communications. Kaus looks well into the future and believes that the increased use of wearables will become a trend affecting internal communications. The jury is mixed on how much wearables will influence the general public, but PwC notes that approximately 20 percent of Americans currently own a wearable device. However, the same study indicated that more than half of people who bought wearables in 2012 don't use that device today, casting doubt on the notion that these devices will be indispensable in the near-future. (Source: PwC US. (2014). Wearable Technology Future is Ripe for Growth - Most Notably among Millennials.)

Show, Don't Tell

Several experts also felt there will be an increased focus on visual communication to supplement, but not replace, the written communication already widespread inside corporate offices. Video was frequently mentioned as a tool that internal communicators would rely on more often in the coming year.

Holtz believes that visuals are important, especially when delivering information that is overly number sensitive. "Very few people know how to tell a story visually," he said. "But charts and graphics allow companies to make a point that can be communicated in a very short period of time."

In reference to the trends of mobile and visuals, Cellura believes that companies may have a tendency to take this too far. "Some companies can get caught up in all the latest trends," she said. "You really have to make sure you are using the right tools even though it may not be the hippest form of communication."

For instance, if company leaders put out a quarterly video of earnings calls, it is also important to provide a transcript for people who want to highlight important points, can't watch video immediately or simply prefer the readable or written format.

Cultivate Brand Ambassadors From Within

Another opportunity for internal communications practitioners in 2015 is to identify and cultivate brand ambassadors. Typically, this is a charge of the marketing department and facilitated externally. Using similar approaches, however, internal audiences have more information, more at stake and can communicate the brand experience from an internal perspective.

Building internal brand ambassadors can do wonders for a company, given that the general public increasingly views employees as credible sources of information about a brand. Edelman's Trust Barometer Study in 2014 indicates, "Employees outranked all other spokespeople, including the CEO, on topics related to a company's culture, behaviors and environment, particularly when it comes to innovation and integrity." (Source: Edelman. (2014). 2014 Edelman Trust Barometer.)

"In order to establish the utmost trust, it is important to have brand ambassadors inside the organization rather than just outside," Millers Rodgers said. "The good thing about that is it is easier building these groups internally rather than externally."

Keep Your Hands Off Their Off-Time

Kaus points out that some employees are beginning to push back against the expectation of being 'always-on.' The explosion of technology, social media and mobile communications in the last five years has led to a bit of communication fatigue. People feel enslaved by their technology and look for ways to take a break.

The issues of data use and privacy also pose obstacles. The PwC wearables study notes that 82 percent of respondents were worried about wearables invading privacy, while 86 percent were concerned that wearables would make them increasingly vulnerable to security breaches. Due to these types of concerns, companies may eventually look focus the movement toward more technology in the workplace. (Source: PwC US. (2014). Wearable Technology Future is Ripe for Growth - Most Notably among Millennials.)

Allow Your Employees To Speak Freely

With the rise in the number of communication platforms, it comes as no surprise we have moved toward a culture of sharing more about our everyday lives, including about our work lives. Shankman believes that there will be a movement toward allowing employees to speak more freely at or about the firm through a wide range of communications channels without retribution.

"I hope that companies start relaxing a bit and learn to trust their employees," he said. "Remember - internal communications (or lack thereof), isn't a communications problem nor is it a technology issue. It's a trust issue that permeates the company - if the company as a whole is afraid to trust its employees, it simply can't evolve."

THE 2015 KEYS TO INTERNAL COMMUNICATIONS SUCCESS

Many of the trends the respondents pointed out are solutions to the current challenges that internal communicators face. For instance, the increased role of mobile devices can directly help solve issues of connecting with front-line employees, specifically ones that do not have corporate email addresses. Moreover, the increased use of visuals may work to tackle the problem of making information more relevant in a cluttered information environment.

These trends won't become panaceas for current problems that internal communicators face. A company can be highly mobile and incredibly technologically savvy and still have an opaque communications process that doesn't adequately include front-line workers, those overseas or provide relevant information.

The trends will emerge over the course of more than just the next year. Wearables, for instance, won't likely become highly visible throughout the workplace in 2015, although the devices may start popping up more often. However, the trends indicate internal communications managers are looking to connect with an audience that is more technologically-savvy, diverse and inundated with information than at any other time.



Communication 'success'

We recommend companies keep the following things in mind when formulating internal communications plans for 2015 and beyond:

1. Communicate effectively to a variety of audiences. This means using both different channels and different methods to reach internal stakeholders. They need to pay specific attention to rank-and-file employees that don't have corporate email accounts.
2. Executives must get, or remain, engaged in the conversation. Simply speaking from the ivory tower to get your point across won't work. Leaders must constantly engage in a dialogue with employees at the firm – providing encouragement to meet company goals, transparency about the company's business practices and effective articulation of the company's mission and values.
3. Content produced by the organization must be relevant. If you simply drop a memo on the intranet, chances are slim the information will reach all necessary parties. Companies should take advantage of tools such as video, graphics and social media to increase the level of engagement throughout the firm.
4. Cultivate brand ambassadors both inside and outside of the firm. In addition to customers, the public has indicated high levels of trust with employees when cultivating their opinion of an organization.

Is your workforce ready?

Can you reach them?

All of them?

And know messages were read?

Without relying on email or phone trees or
bulletin boards or the postal service?

Readiness happens with Red e App.

Let's talk about solving your internal
communications problem. Tell us how to
reach you and we'll be in touch.

Jonathan

Tell us how to reach you.

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