



On the Wings of Corporate Strategy

Current status and
trends in internal
communication in
European companies

2018

European Internal
Communication Research

ASCAI
Associazione per lo
sviluppo della comunicazione
aziendale in Italia



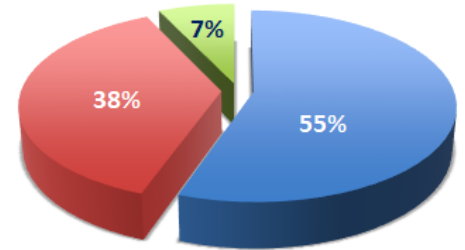
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SURVEY SCOPE

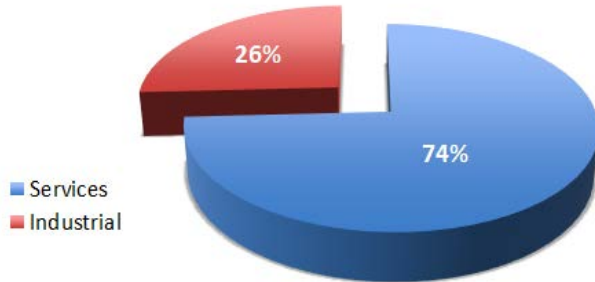
Ascai is proud to publish the results from the first major international survey of internal communication (IC) in Europe, conducted under the scientific guidance of Milan's *Università Cattolica*.

Geographic Distribution *

- Southern Europe
- Western Europe
- Northern Europe



Industry**



The research covered 448 large companies in 12 EU countries, having originally identified over 15,000 firms with more than 500 employees (Orbis database).

* **Southern Europe:** Italy, Portugal, Slovenia, Spain;
Western Europe: Austria, Belgium, France, Switzerland;
Northern Europe: Denmark, United Kingdom; Netherlands and Germany statistically irrelevant.

** **Services:** Banking, Insurance, Utilities, Healthcare, Retail;
Industrial: manufacturing, Pharma, technology

The survey is exceptionally well representative, a fact confirmed by the 27.6 per cent redemption rate that was largely thanks to companies based in southern (55%) and eastern (38%) Europe, often in the manufacturing industry (74%). The distribution between national and multinational firms was roughly equal.

The survey was entirely online and in English, with thirty-six questions combining original questions with ones based on previous similar research work. It was pre-tested in eight European countries by communication professionals over a three-month period (May-July 2017).

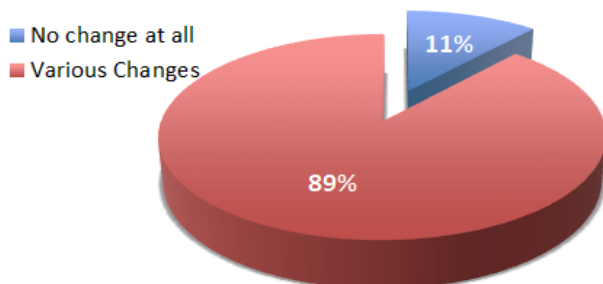
The primary variables examined were: IC planning and monitoring; channels and tools; perceived role of IC within the company; organisational and communication climate; status of IC professionals; future issues and challenges; and organizational aspects and demographic details.

CONTEXT

The socio-economic context for the survey was a determining factor in ensuring the excellent quality of the results since it is partially made up of a manufacturing environment that has been leading the way in organisational and managerial change over the last three years.

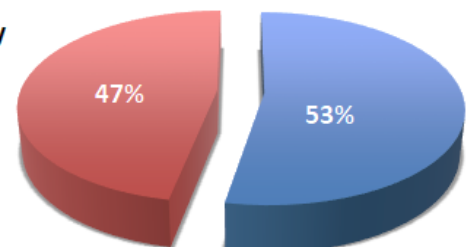
Such change has numerous contributing causes: corporate restructuring, changes in top management, introduction of new technologies, cost cutting, mergers and acquisitions, and the repositioning or expansion of business

Organizational / Structural changes over the last 3 years



Type of company

- Multinational
- National scope



across an area. At the same time, it would be remiss in any analysis of this research data to underestimate the importance of many of the participating companies having a specific internal communication department.

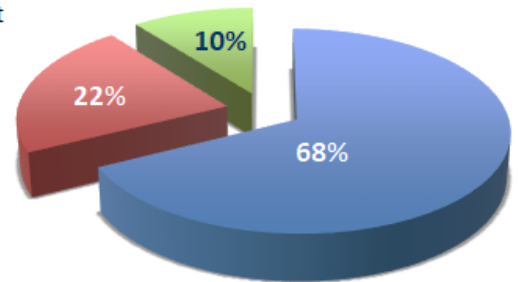
PROFESSIONALISM AND SATISFACTION

The high degree of professionalism of the respondents, generally internal and/or corporate communication managers, was another contributing factor to the quality of the results.

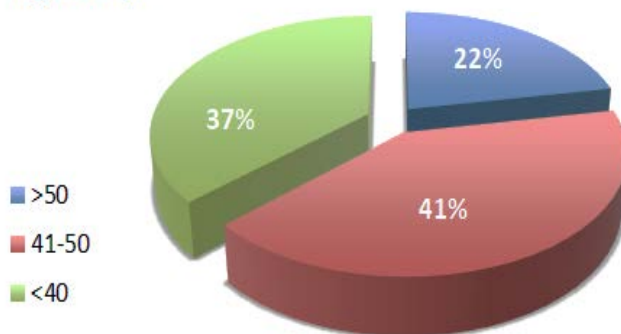
The involvement of such people meant the results were far more reliable, both in terms of the quantitative answers and those responses to questions focusing on collecting opinions about,

Organizational Position

- Head of department
- Head of IC sub-unit
- Other



Age Groups



say, the efficacy of internal communication or the evolving trends.

It was notable just how many women head up internal communication, with men only in charge of the relevant office in 30% of cases.

Education level was another relevant factor

since all of the communication professionals, regardless of role, held an undergraduate or master's degree, or a doctorate.

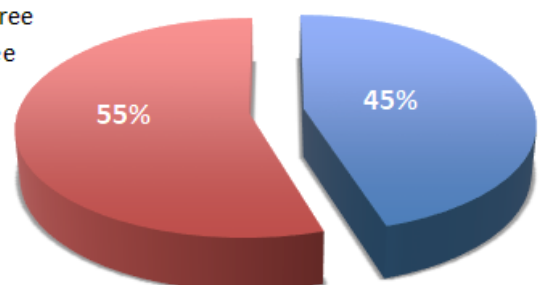
Focusing on age, 63% were over 40, which is hardly surprising given the level of specialisation and the fact that many of the respondents were actually communication managers.

Moreover, due importance must be given to over 70% of respondents having over a decade of experience in internal communication.

Although appreciation from top management and positive feedback from company employees was strongly linked to the importance given to the role, such consideration for the IC role also reflects on career opportunities and work-life balance, ultimately impacting on communication professionals' personal satisfaction of which is on average positive.

Education

- Bachelor degree
- Master degree



IMPORTANCE OF A SPECIFIC OFFICE

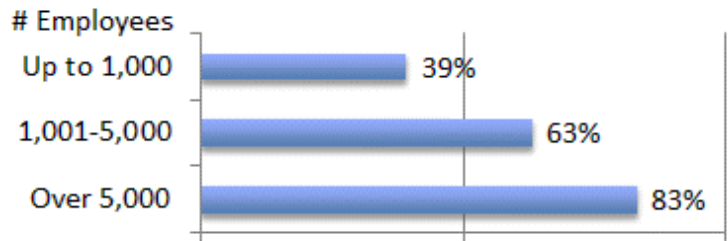
As was already hinted at, a key development has been the growing recognition of internal communication (IC) as a fully-fledged company function included in the organisational structure.

This is an unequivocal sign of the importance numerous companies, especially multinationals and large firms, place on constantly controlling and properly structuring internal relations and the relationship between the company and employees.

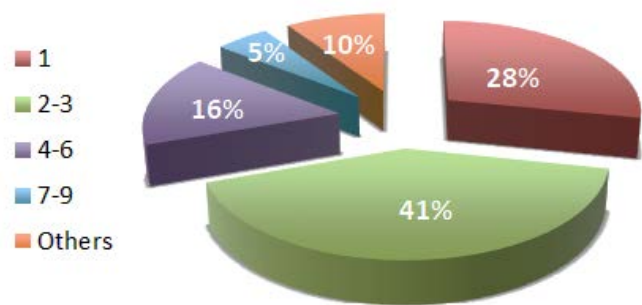
While most communication professionals (48.6%) still believe investment in IC remains insufficient, especially where there is a lack of support from top management, the growing importance of the IC department was definitely an influencing factor in increased (25.9%) or unchanged (46%) IC budgets. This should also be considered in the light of roughly 30% of companies that have either increased, over the last three years, the number of employees in this department, or that are planning to do so in the next three years.

Interestingly, regardless of size, a significant number of companies (41%) allocate two to three employees to the IC department, with only one employee in 28% of the cases surveyed.

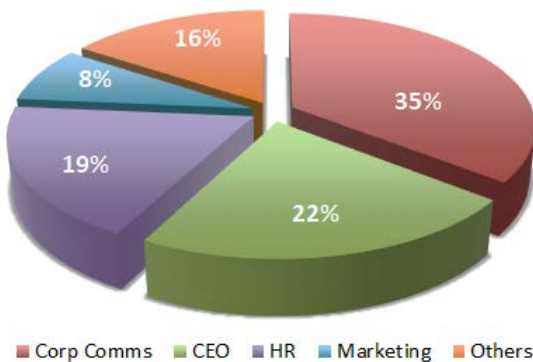
■ % of companies with an IC department



Average number of employees in IC department



IC reporting to ...



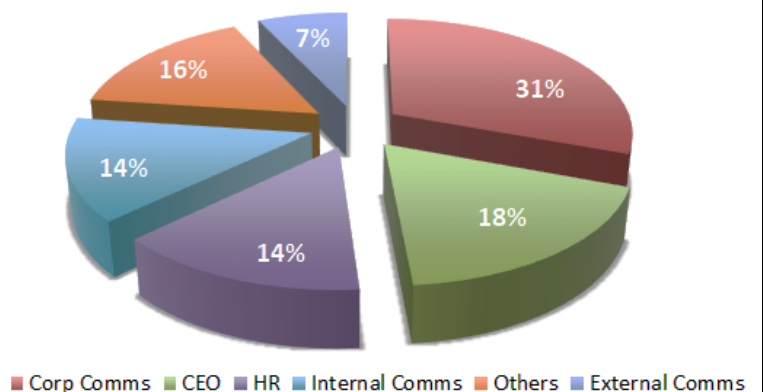
The importance of the IC role is also evidenced by the fact that, despite a lack of IC representation on executive boards, such departments increasingly report directly to the CEO (22% of cases), compared to the more traditional approach of reporting to the corporate communications head (35%).

At the other end of the scale, the percentage of departments reporting to HR (19%) was much lower, with the figure almost irrelevant for the marketing department (8%).

Consequently, corporate communication (31%) and the CEO (18%) are primarily responsible for determining IC goals, with HR only doing this 14% of the time - the same percentage as for the IC department setting its own targets.

HR departments are, however, the key function when it comes to collaboration,

Who defines IC objectives?



excluding of course corporate communication and the CEO. Any organizational synergies with the audit, finance and legal offices, are effectively negligible.

In terms of the types of targets internal communication is often required to achieve, Ascai's survey found three priorities for companies: promotion and dissemination of the corporate culture and identity; communication of the company's results and business strategies; and employee participation and motivation.

★ **Top 3 supported objectives**

- Promote and share company culture and identity
- Communicate business strategy, goals and performance
- Improve employee engagement and motivation

★ **Less supported objectives**

- Increase Sales
- Reduce costs and / or increase employee productivity
- Support competitive advantage

On the other hand, internal communication is seen as less linked to the more business-oriented targets: increased sales; reduction in costs and/or improved individual productivity; and aiding competitive advantage.

STRATEGIC ROLE AND OPERATIONAL SUPPORT

As a general rule, perceptions about the effectiveness of IC increase the most when IC helps define business goals and supports their achievement on a daily basis.

In this respect, communication activities focus more on promoting and spreading the company's culture and business strategies, with less attention on developing employee satisfaction and learning, and even less on their creativity or socialisation.

Although this happens to a lesser degree in smaller companies and those that only operate in the internal market, this fact would seem to at least partly indicate that quality and efficacy of communication are largely related to providing thorough information about the company and how it is developing its goals, while simultaneously helping management to see what is happening in the company through the lens of communication.

This could be simplified as the "excellence of internal communication", which equates to the emerging role our research has defined as the "strategic facilitator" (27.8% of cases), that is, the dual role of supporting the definition of business strategies and the attainment of the desired corporate performance.

This role would seem to have concrete benefits for the company climate. Notably, companies where the atmosphere among employees is positive generally have a significant and recognised internal communication office and the IC manager, where this is a powerful role, plays a sort of business adviser role, contributing to the formulation of strategic corporate decisions.

At the same time, it would be wrong to overlook that, overall (31.2%), employees see the internal communication department as playing an "operational support" role as

Key findings – Tasks and roles*



it supports other offices, develops communication skills and provides genuine consultancy. This should be seen in opposition to the perceived role, as an "isolated expert" (19.3%), which is a role that provides limited business input.

** Following European Communication Monitor (Zerfass et al., 2014), a joint study by academia and practice that has been conducted annually since 2007 by the European Public Relations Education and Research Association (EUPRERA) and the European Association of Communication Directors (EACD).*

CHANNELS AND TOOLS

As in 2017, when Ascai focused solely on Italian companies, in European companies the corporate intranet constitutes the lion's share of internal communication (74% of respondents saw it as very important for attaining IC goals).

The survey also found other methods were equally effective, including face-to-face options, such as meetings, conventions, roadshows, conferences, seminars and so on (73%), followed by digital media (60%), like e-magazines and e-newsletters.

Some way back, there is the traditional print (43%), while online events (28%), business TV/radio and blogs (both 15%) are far less favoured options.

Looking at social media, it is clear there is a long way to go until it becomes a clearly favoured option, with the current view quite mixed between acceptors and rejectors..



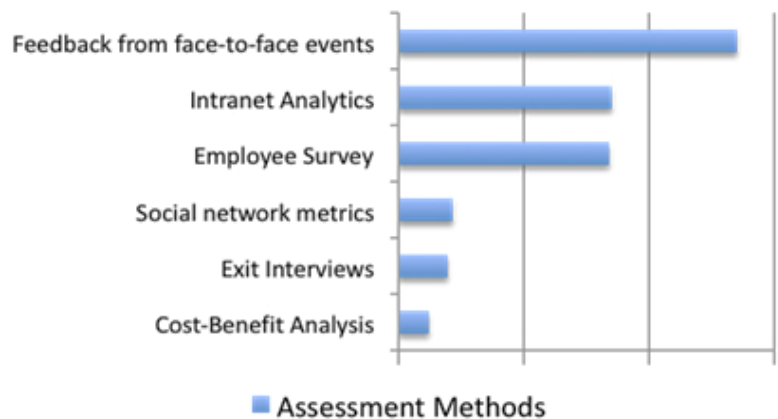
DIFFICULTY OF MEASURING

Measuring the effectiveness of communication is another delicate issue, taking up much of the time available for any corporate communications office. The survey covers this aspect in one of its most interesting sections.

In short, the information provided shows continued significant gaps in methodology and in the selection of items to be assessed, although more importance is being placed on this element by multinationals, major national firms and companies in northern Europe.

More specifically, in terms of the methodological approach, much remains to be done to provide a suitable cost-benefit analysis of internal communication and its impact on customer satisfaction, business results and increased competitive advantage, within the bounds of what is realistically feasible.

The same holds for behaviour being monitored and measured.



On this front, the research found companies tended to focus more on the frequency of use of media, rather than on their effectiveness or, even better, on the overall quality of internal communication processes.

Such choices undoubtedly place significantly more importance on the tools, rather than other components of internal communication.

Additionally, communication professionals struggle to define what has to be measured and the metrics to use. They also repeatedly justify such shortcomings because of a lack of time available to take concrete actions and follow up on what the results would seem to suggest.

The general problem with measuring can be evinced from the simple, but telling fact that only slightly over a third of companies (36%) carry out such an activity on a regular basis.

THE CHALLENGE OF EXCELLENCE

The considerations indicated above come together in a genuine expectation of the future of internal communication expressed by many respondents. Indeed, the majority (64%) firmly believe internal communication will gain greater importance in the coming three years.

Corporate communication professionals agree that any increased importance attached to their activities in the future will depend on their greater role in supporting top management decision making. At the same time, it will be equally important for internal communication offices to adopt programmes that encourage more active and engaged employee participation in company management.

This will have to happen against the backdrop of a constantly changing digital world that generates, inside and outside a company, increasingly substantial and rapid communication flows.

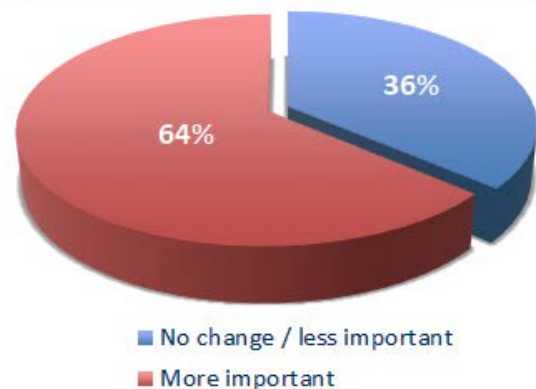
It is fair to say the research achieved its goal of identifying, in an international context, the fundamental strategies and behaviour that enable companies to put in place "excellent" internal communication.

As obvious as it might seem - although it is not actually confirmed in 40% of the cases examined - the fundamental premise for effective internal communication is the existence of a formally-recognized IC department, with its own budget, that can adopt a periodically-revised internal communication plan.

The actual report covers these elements in greater detail, but here it is possible to generally draw attention to certain characteristics that should be considered for a good internal communication system:

- ❖ experience and high levels of professionalism of the IC manager;
- ❖ involvement of IC managers in strategic planning meetings with top management;
- ❖ close, regular contact with other corporate offices;
- ❖ greater openness to possible dialogue between people and management;
- ❖ constant pursuit of the utmost coherence between internal and external communication;
- ❖ periodic monitoring of satisfaction and employee involvement levels;

Importance of IC challenges in the next 3 years



- ❖ support for organizational change, improving the commitment, motivation and satisfaction of employees, focusing specifically on encouraging and promoting innovation, creativity and networking;
- ❖ involvement in creating competitive advantage for the company;
- ❖ keeping up with the speed and volume of information flows to face the constant organizational and technological developments.

The considerations set out above, based on an analysis of the best practices adopted by the major European companies that took part in our survey, make it clear that focusing on excellence is directly linked to ensuring real commitment from top managers, based on:

- ❖ a clear awareness of the importance of innovation;
- ❖ the proper management of information flows;
- ❖ the connections to business strategies;
- ❖ and on increasing the supporting role played by IC in decision-making processes.

Top challenges in the next 3 years

- ★ Coping with digital evolution and social web
- ★ Dealing with speed and volume of information flow
 - ★ Linking IC and business strategies
- ★ Strengthening the role of IC in supporting decision-making

Less important issues in the next 3 years

- ★ Implementing an ethical code for IC processes and activities
 - ★ Supporting intercultural integration in the organization
 - ★ Replacing paper-based media with digital ones
- ★ Educating employees about social media use to generate value

The latter specifically requires an ability to listen on an ongoing basis, as a prerequisite for correctly understanding the corporate environment.

The Ascai research has also shed light on many other important aspects that are not covered in this executive summary. We do hope, though, that we have been able to show the extent and depth of the analysis and, consequently, encourage people to read the entire report which we genuinely feel, provides a vital "compass" for navigating the seas of internal communication today and tomorrow.

The Presidency of Ascai would like to express its particular thanks to Prof. Roberto Nelli of Milan's Università Cattolica, the director of research for the project, and to Board members:

Massimo Greggia, for the international coordination of the project and for his contribution to analyzing and summarizing the research results;

Giorgio Agagliati, for his consultancy on the content of the research.