

Poppulo Knowledge
Whitepaper

Going beyond engagement: The business value of internal communications for the C-Suite

In partnership with Zora Artis GAICD SCMP
CEO, Artis Advisory



Poppulo

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Introduction

The stats and research speak for themselves, backing up what we know instinctively anyway: organizations thrive and employees are happier, and perform better, in a positive culture of inclusive communication.

We don't need yet another survey to convince us how communication within a company influences an employee's experience, and how that, in turn, shapes the quality of output and ultimately the customer experience. We don't need to be convinced, because we've all been that employee.

While companies have for decades focused on employee engagement, with its various and different definitions, there is an increasing realization of the crucial role internal communications play in informing and influencing the end-to-end employee experience.

As [Zora Artis GAICD SCMP](#), CEO of Artis Advisory, states in this white paper, “business communication professionals, particularly those focused upon internal communications, are the critical support and enablers of alignment, engagement, and culture” in organizations.

More and more C-suite leaders realize this and understand the critical importance of great communications for attracting and retaining scarce talent, the happiness and welfare of their employees, and the impact on the financial bottom line.

In this white paper, Zora takes a closer look at the business value of internal communications for the C-suite, particularly in a period of rapid business, technological and political disruption, and what communication professionals need to do to be the strategic advisors their leaders need at a time of constant challenge and change.

We hope you find it valuable.

Tim Vaughan

Head of Content

Poppulo



Preface

The energy was palpable amongst 1400 communication professionals from more than 40 countries at the International Association of Business Communicators (IABC) global conference in Vancouver. Knowledge had been shared, connections made, and the trends impacting business and the profession discussed. Some of it was new, some built on or reinforced what we already know.

It's time for Peter Sheahan's closing keynote, *Leading transformation: How leaders accelerate their progress to the future*. The earlier keynotes had been compelling driving home the need for human connection in storytelling, the power of conversation and mindfulness, and the changing face of progressive workplaces.

But it's the energetic Australian who delivers the home run inspiring the room to energize, step up and drive real value in their organizations to help lead transformation.

"The pace of change we've experienced in the last five years has been greater than the past 100 years. It's going to be the slowest rate of change you'll ever experience."

— **Peter Sheahan**

It's the light bulb moment for me and many in the room. We know that change is the norm and from my experience it's where communicators have the greatest opportunity to deliver value – if we find a way to read the trends and help organizations move more quickly than the changes. Businesses risk irrelevance if they don't, just think of the Sony Walkman and you get the idea.

So, with the pace and scale of change accelerating, organizations need to be able to adapt to deliver long-term sustainable stakeholder value along with short-term business performance. Boards and senior executives recognize the importance of culture and people as key drivers for both. Business communication professionals, particularly those focused upon internal communications, are the critical support and enablers of alignment, engagement and culture.

There's a wealth of recent research and discussion around the value of internal communications that supports this, however the reality is that many are yet to elevate from tactical to strategic¹ (Poppulo has

excellent resources to assist with this). Undeniably organizations need both, but it is clear from those organizations who lead the way²³ that it is the combination that drives business results. There's also confusion around the terms 'internal communications' and 'employee engagement', as well as what employee engagement is about⁴⁵⁶.

For this white paper, a review of existing research and success cases has been undertaken along with in-depth interviews with 18 C-suite executives in fast growing start-ups, small-to-medium sized private companies, membership organizations, government enterprises and multinational Fortune 500 companies. These were selected based upon their brand reputation, growth, undergoing change and their market position.

This paper explores the context of change, the expectations and perceptions of the C-suite, workforce expectations and where internal communications, particularly employee communications, can deliver tangible value.

Zora Artis

CEO, Artis Advisory

Context of change and perceptions of the C-Suite

Before we step into the value of internal communications, let's apply a more holistic lens to the environment and change that executive leadership is dealing with.

I was recently listening to a radio interview with the CEO of a restaurant franchise in Australia about the pace and impact of change upon the hospitality industry. Three years ago, like many in his industry, he saw Uber Eats as an opportunity for the growth of his brand and revenue for franchisees. The new digital platform opened the door to consumers within a three-kilometer radius of the restaurants with a cost of 15% commission.

At the time his largest and most successful inner-city restaurant generated revenue from 85% dine-in and 15% take-away/pick-up traffic, with a profit margin of 15-20%. Two years on consumers have embraced Uber Eats to the extent that it is the dominant online aggregator in the market.

The commission has progressively increased to 30% and the customer now pays a \$5 delivery fee. So, costs are up, but what about the revenue? Not near enough. In fact, revenue generation is now completely changed with 86% from aggregators (i.e. Uber Eats, Deliveroo) and the balance split between take-away/pick-up and eat-in.

The franchise CEO did look at the changes in the industry in the US, UK and trends in China to inform the change of the business model so the business could be sustainable. They now operate "dark kitchens" with a fraction of the physical footprint and with a heavily reduced workforce that is trained to work across multiple functions. He's had no choice but to embrace the new reality of disruption and changing consumer expectations.

Staying ahead of change, looking at where innovation is happening and identifying trends that could impact the business and the industry are top of mind. Peter Sheahan challenged us as communication leaders to apply a design-thinking mindset with the question "Where is your customer or stakeholder going and how are you going to beat them there?" The same question applies to executive leaders and boards.



We're seeing growth in organizations such as Trendwatching⁷ who explore innovations to identify trends that may impact consumer and societal expectations. They assert that the basic human needs don't change as much but the way brands and organizations meet those needs changes.

Over the past two decades through Edelman's Trust Barometer⁸ we've seen the continual slide in trust in organizations, media, government and NGOs. It appears people are showing frustration with institutions to help them navigate uncertainty and are switching their trust to relationships within their control – with their employer (75%) – to take the lead on change. This level of elevated trust creates an enormous opportunity for employers to rebuild societal trust. Overwhelmingly, 71% of respondents expect their CEO to respond to challenging times on industry issues, political events, national crisis and employee-driven issues.

Edelman correlate the impact of workplace trust with brand success, external credibility and amplifying the brand voice from inside out⁹.

With the elevated levels of trust come employee expectations. However, the study shows that employers are falling short on expectation by as much as 24 points¹⁰. These gaps included:

- Management telling the truth (-24)
- Employees have a voice (-18)
- Regular communications (-17)
- CEO embodies organization's values (-14)
- Employees included in planning (-14)
- Organization acts on its values (-14)
- Diversity at all levels (-10)

Bearing these gaps in mind and the expectation that the employers led on change, there were five key communication topics that strongly correlated to increasing employer trust when their employer did well in these areas:

1. The organization's contribution for the betterment of society
2. The organizational values
3. The organization's vision
4. The organization's purpose
5. Operational decisions that impact their job

It's becoming more commonplace to see brands and institutions engaging with their employees and stakeholders on what matters to them to take a stand on societal issues. Companies such as Deloitte

and BHP have a strong focus on impact beyond shareholder value reflecting the broader impact they make to communities and society.

Deloitte¹¹ has embedded it within its purpose “Making impact that matters” and employees share stories and examples of how this is done on social with *#impactthatmatters*.

In Australia, we have an environment where the community’s trust in corporations is low after recent examples of poor corporate behavior prioritizing shareholder return over stakeholder interest. Boards are now driving the focus on culture and customer as being critical to sustainable performance and better governance. They recognize that relying upon annual employee engagement survey metrics is insufficient to assess an organization’s culture and risk. They’re seeking to understand the meaning behind the numbers, the level of engagement of middle managers and the quality of the customer experience.

Better governance and risk oversight at board level is placing greater pressure on the executive¹². Executives are expected to have a better handle on alignment with the organizational goals, values and behaviors, and the voice of employees and customers. They see culture as an enabler and a part of their social license to operate¹³.

BHP’s CEO Andrew Mackenzie has led the transformation of the mining business into a more progressive one that takes a stand on big societal issues in Australia such as Indigenous rights, climate policy and gender diversity.

“We really do seek to make a valuable contribution to society as a whole, and particularly to the communities where we operate, because without this contribution we don’t believe we can create value for our shareholders.”

— **Andrew Mackenzie**

The company has set a target to achieve a 50% female workforce by 2025, focusing upon creating a healthier, safer and more harmonious culture and having a stronger talent pool. It is transparent in reporting on its progress to this target, which is not easy in a traditionally male-dominated industry. “If you want to be able to get the best people in the world working for you, you want to be able to choose from the whole world.”¹⁴

Attraction and retention of talent has been identified as the top internal concern in a recent global study¹⁵ from The Conference Board which outlines the current external and organizational concerns of CEOs and C-Suite executives and their vision of what organizations will look like in 2025.

Also, disruptive technologies stimulating the need to re-examine business models, managing costs, developing the next generation of leaders and better aligning rewards with performance are top-of-mind organizational concerns. The order of priority of these concerns varies from region to region, but what is consistent is two internal critical stress points of talent and strategy. In terms of external impacts, CEOs are preparing for a turbulent business environment, and are concerned about recession risk, disruption of global trade systems and political instability, and the decline in institutional trust.

People are central in this picture, whether we're looking at the leaders, managers or workforce. Yes, the organization needs to deliver but its workforce needs the ability to be agile, innovative and responsive to disruption. Leaders need to be able to lead through disruption and ambiguity, while also inspiring and engaging the workforce to execute effectively on strategy. In terms of strategy, they're looking at reframing their business models to find the more sustainable path, requiring a workforce to understand the why, where, what and how^{16 17}.

The Conference Board study identified what a future-ready organizations for 2025 could look like. It's different and hinges on finding a balance between long-term vision and sustainability and short-term performance pressure. In my opinion as a board director and CEO, this balance is a key current challenge.

More than half see sustainability as a growth driver and a tool for talent retention and attraction (51%), improved customer experiences as an outcome of future technologies (55%) and strong customer data protection processes as a source of competitive advantage (63%), and expect customers to be more value conscious (70%).

Nevertheless, the report highlighted the following characteristics of a future-ready organizations from the CEO lens¹⁸.

- Be highly customer centric – driven by design thinking, changing consumer expectations and a higher value placed on experiences
- Redefine work with agile, fluid and cross-functional teams – new ways of working with more flexibility and technology
- Blur internal and external boundaries – more flexible structures and innovation
- Leaner functions taking advantage of AI for efficiencies and data
- Making faster data-driven decisions – supported by agile methodologies and design thinking
- Practice greater inclusion, transparency and information sharing to drive engagement
- Invest more in individual coaching and mentoring to cater for new generations in workforce and leadership
- Offer future leaders more cross-functional rotation to broaden knowledge

The study also explores the skills that CEOs and C-suite need for the changing workplace. The priority was a stronger emphasis on strategic skills, meaning having a clear definition of goals and strategies, and critical thinking to engage with their people. A close second was the ability to communicate effectively, find creative solutions and better emotional intelligence¹⁹.

This holistic lens is by no means all-encompassing, but it does illuminate the context of change and expectations upon the C-Suite. Having a deeper understanding opens the opportunity for internal communicators to provide greater value supporting leaders and managers to communicate more effectively, provide strategic counsel, and enable better engagement and alignment with the organization's purpose, values and strategy.

The value of internal communications

The voice of the internal communications professional has been growing louder over the past few years. There's a hunger to be taken seriously as strategic advisers driving organizational value rather than just tacticians.

Interestingly, based on the interviews I conducted for this white paper and from other studies^{20 21 22} the C-suite does value the function and deems it critical to organizational success. They derive value from both the strategic and executional. I'd argue it's a balancing act between the two combining tactical functionality with data-driven strategic focus.

Looking at the context of change and the perceptions of the C-suite the opportunity to elevate the effectiveness of internal communications is now. I will explore this in depth my two upcoming Poppulo publications: **“How the C-suite can drive business growth through internal communications”** and **“Business acumen in internal communications – Why it matters and how to build it”**.

I undertook in-depth interviews with the C-suite ‘acronyms’ – CEO, CHRO, CPO, CMO, CCO – and heads of function in strategic, leadership and internal communications to better understand the business value of communication and engagement.

There's no doubt that it is valued with their focus on people, culture, customer, sustainability and performance. Not only do the leaders recognize they need to be effective communicators and in turn listeners, but also braver leaders who are prepared to be transparent with the good and not so good, share information, enable collaboration and creativity, and act with integrity.

In a blog reviewing research into the relationship between authenticity and effective leadership, Poppulo's CEO, Andrew O'Shaughnessy summarized what employees expect succinctly.

They want honesty and openness from their organization's leaders, not opacity and spin, and they want to be treated as adults with dignity and fairness²³.

— **Andrew O'Shaughnessy**

Those who do it well, see working with communicators as a partnership to advise, support, enable as well as assist with the execution. What was obvious was that they clearly did not reference it as

“internal communications” until asked specifically – they thought of it as part of good business practice. The most common way internal communications was described was “critical”.

The Next Level: Global IC Report²⁴ has undertaken a meta-analysis that shows where internal communications adds value:

- Understanding vision and strategy
- Bring purpose and values to life
- Reinforcing culture
- Living the brand from the inside
- Internal alignment
- Enabling change
- Understanding the employee voice
- Reframing complex language and concepts
- Enabling better communication by managers and leader

It also showcases examples of what good communication looks like inside companies across the globe. These case studies are excellent references to what can be achieved by internal communications where they have proven their value over time. In the Global Alignment Study²⁵ I co-authored, we demonstrated six best practice cases from mid-size enterprises through to the world’s largest corporation.

Yet despite the excellence that clearly exists, as evidenced in the research, there is still the notion towards skewing to the tactical execution. This comes down to a number of areas that I will explore later in the paper, but some of the responsibility falls on the shoulders of the communication professionals. Like other business professionals, we need to speak the language of business, understand financials and risk, confidently create and present the business case, identify the relevant metrics, evaluate and adjust in order to deliver business results.

The Next Level: Global IC Report and the Gatehouse State of Sector 2019 report²⁶ are a wealth of insight to help build the business case for elevating the function in their organizations. Both illustrate the opportunities for improvement, but particularly potent is Gatehouse’s metaphor on budgets and resources in large organizations bearing in mind the current C-suite concern with the war for talent:

“The cost of replacing talent is the equivalent of purchasing a car while the average monthly spend on internal communications is the equivalent of a chocolate bar.”

— Zora Artis

One of my interviewees, a current CEO of a highly respected government enterprise in the insurance and community safety space highlighted the need for better internal communications. He referenced Sir Humphrey Appleby in the classic British comedy series Yes Minister: “Politicians like to panic. They need activity: it’s their substitute for achievement!”

He’s interested in the quality of the work over the quantity. He’s interested in great not good communication. It’s not about the outputs, but rather the impact. Is it deliberative? It aligns clearly with Klein’s points of the need to “cut the noise” and “measure potency, not pennies”.²⁷

A head of strategic communications for a Fortune 500 company illustrated the role of internal communications in strategic alignment, enablement and employee engagement as the business undertook a cultural shift, redeveloped new ways of working, redefined its purpose and corporate strategy.

The role was to connect the dots, frame the narrative messaging, develop the leader and manager tools, and open up dialogue across the organization. They helped bring the leaders on board, gave them the language and confidence, and created the communication channel infrastructure. It was about applying the four “C’s” of clarity, consistency, commitment and constancy of alignment, messaging and layering over a two-year period to enable the change of mindset and behavior to build the new culture.

Impact of millennials

By 2020, Millennials will make up a third of the global workforce, equal to Gen X²⁸. While in some countries, such as the US that number will be higher where they've already made up more than half the workforce since 2016.

Why does it matter? They've come of age in a digital and social media world, entered the jobs market during challenging times and have witnessed large-scale social change.

They think and operate differently to their older peers in the workplace. Employers looking to attract and retain talent, need to adapt their cultures and ways of working to accommodate a diverse workforce, including Millennials and Gen Z.

Trust has been declining as skepticism on bottom line focus has grown. The employer-employee relationship becomes more important as the expectation is that employers will take a stance and lead change on societal issues, are true to their purpose and value, are transparent and authentic, and give them a voice²⁹. Organisations recognizing and responding to their needs are more likely to appeal to them as relevant and aligning to their values.

Growing up in a fast-paced environment, sharing, rating and receiving instant feedback is the norm in their private life and this "mirrors a shift in workplace expectations"³⁰. They seek open feedback and counsel, and expect to give feedback in return.

One of the organizations I interviewed, undertakes a monthly CultureAmp survey that provides insight into the levels of engagement, understanding and alignment across a range of themes. The results and insights are openly discussed within the teams, and action plans to address issues are co-created and implemented. Special action teams execute and report back on progress to the executive leadership.

The Millennial employee's brand is reflected on social and when aligning with an employer it shines the light on their own brand. With a workforce that is predominantly Millennial, Deloitte's *#impactthatmatters* social feed is one reflection of the culture of the organization, reflecting what is important to their workforce and the organization.

Communication professionals can lead the social thinking within organisations to enable it in a way that is relevant to not only engage with current employees but also demonstrating the employer brand to attract prospective employees.

Internal social networks, such as Workplace, Slack, or Yammer, provide channels to connect with employees on their mobiles to communicate, share ideas, provide feedback and recognize colleagues for good work.

Amongst the C-suite interviewed were four organizations with Millennial workforces, all provide open and transparent feedback directly with leaders. One tech startup with a Millennial CEO and workforce ensured that communication was fluid and transparent, using Slack, email and face-to-face channels. At the core of what they did was ensure that the teams were aligned to the organization's purpose and values, inspired by the vision and their role in delivering it. If there was misalignment, they were quick to act on it, applying the hire slow and fire fast philosophy – and with tight profit margins they can't afford not to do so.

PwC and Manpower research underline that Millennials are hungry for training and development, and seek opportunities to grow their capabilities³¹. Organizations that can develop a culture of learning, flexibility and continuous improvement are at an advantage in attracting and retaining talent.

One CPO with a predominantly Millennial workforce in strategic entertainment and sports consultancy has developed a full alumni program for those who leave the organization. They celebrate those who leave, and engage current employees and alumni annually to build on advocacy and highlight career progression. By using learning and development and career progression it strengthens their ability to attract new talent in a relatively tight sector, as well as build brand equity with their clients.

The shift to more progressive workplace practices and leadership styles has been amplified through the voices of Brené Brown³² showing the value of courageous leadership, vulnerability and trust backed by decades of research and the Corporate Rebels³³ seeking out what makes inspiring organizations tick.

Three years ago, two very clever and skilled Millennials quit their corporate jobs after realizing they did not enjoy the traditional work environment and were not connected to the purpose and values. They found that processes and bureaucracy got in the way of meaningful work. They were disengaged like many others but motivated to drive change. They started Corporate Rebels in a quest to find and study progressive organizations to make work fun. They've interviewed pioneers, progressive thinkers and doers, visited organizations (i.e. Spotify, Atlassian, Haier, Patagonia) across the globe in search of what works and what doesn't. They've discovered some of the world's most engaged and productive workplaces where people want to work and have fun doing it.

They have distilled their learnings into eight trends and five practices that they openly share. Admittedly, this is not a “one-size-fits-all solution” and can’t be achieved overnight. Some of these trends applied do not work in some organizations, so it’s a matter of looking at what is achievable and what value it could deliver - and experimenting and adapting. That said, a number of these trends – transparency, autonomy and trust, purpose and values, result-driven multi-disciplinary teams, supportive leadership – can be found in organizations I interviewed and those in the best practice case studies.³⁴



Corporate Rebels, 8 trends of progressive and highly engaged organizations.

Source: [Corporate Rebels](#).

How does it come together?

The escalation of disruption, context of changing expectations within and outside the workplace and, in particular, the C-suite perceptions of future-ready organizations, creates opportunity for internal communications to step up to help create more tangible business value.

The path to balanced long-term sustainability and business performance comes from investing in people, the culture, the environment, and the work in the organization. This necessitates that people in an organization understand the context, what it believes in and will stand by, where it's going, what it's aiming to achieve, how it's going to get there and what their contribution is.³⁵

The review of the existing research and interviews with the C-suite executives highlights that the opportunities for internal communications to drive tangible value are through supporting and enabling employee engagement, employee experience and strategic alignment. There's robust support that each has direct impact on business value, and I'd hypothesize that, when combined, these should lead to a conducive environment where people want to work, are proud of what they do and who they work for, are motivated to perform and is one where people's wellbeing is valued.

The model below shows the correlation of great internal communications upon the outcomes and impact on the organization. This is not a full reflection of all that internal communications encompasses, but rather a framework for a holistic approach that can be measured and evaluated.



Connecting internal communications with business value for the C-Suite.



Employee engagement

There's a fair amount of debate about employee engagement is and what it is not. The frustration arises when it is reduced to outputs and vanity metrics like clicks and likes, or an employee engagement score.

This is further exacerbated with conflicting research on global engagement levels from Gallup³⁶ and ADP Research Institute³⁷ stating only 15 to 16% of the global workforce is fully engaged whilst Aon Hewitt³⁸ find 27% are highly engaged. The numbers have a place, but it is not just about the numbers.

“In my research, I questioned the C-suite about their thoughts on employee engagement. Do you think it is a goal, a KPI, or a strategic pillar? Rarely was it viewed as an end-goal but rather a component or pillar of the strategy and an indicator of success.”

— Zora Artis

It directly relates to culture and capability, and people are the enabler of the successful execution of strategy as well as competitive differentiator. It was also part of the organizational risk framework, either as an indicator of culture, organizational health and wellbeing, and/or brand reputation, and reported back to the board.

So, what is it?

According to Engage for Success³⁹, “employee engagement is a workplace approach designed to ensure that employees are committed to their organization’s goals and values, motivated to contribute to organizational success, and able at the same time to enhance their own sense of well-being.”

Jim Shaffer⁴⁰ defines it as “a condition that exists among employees when they feel passionate about their jobs, are committed to the organization, and use their discretionary effort to improve results.” Weiss and Molinaro⁴¹ see it as getting the best out of your people, that they’re connected to the purpose, values and the work that they do, and feel valued.

Gallup⁴² defines engaged employees as “highly involved in and enthusiastic about their work and workplace. They are psychological “owners,” drive performance and innovation, and move the organization forward.”

Arguably, employee engagement can be considered as a focus upon the individual, but the strength for internal communications is to focus on the power of the collective when it comes to employee engagement. This is evidenced in the work of Buckingham and Goodall⁴³ who've found that employees are fully engaged more than double if they're in a team where there's a strong level of trust with the leader.

In an environment of volatility, uncertainty, complexity and ambiguity, like we are now in and is expected to continue, the collective effort to drive shared purpose and business performance becomes more important than that of the individual. This is witnessed in the success stories from the Corporate Rebels and is well articulated by Melcrum:⁴⁴ “the nature of work shifts to requiring more and more network or collective-based effort, it is no longer sufficient to engage employees in private or individually.”

They redefine employee engagement as collective engagement “the extent to which employees feel – and make evident to others – the ability, passion, and motivation to contribute to collective knowledge, experience, and sense of shared purpose in a way that benefits the organization and customer goals.”

The idea of collective here is expanded beyond employees, managers and leaders to include customers and partners. This rings true with a number of the organizations I interviewed. They varied in size from a few hundred to thousands of employees, and comprised local and multinational corporations, private and public companies, and public sector and member-based organizations. What they have in common is they're genuinely people-focused – their people, their customers, their partners and their communities. They work in collaboration with them, seek their input, listen, act and loop back.

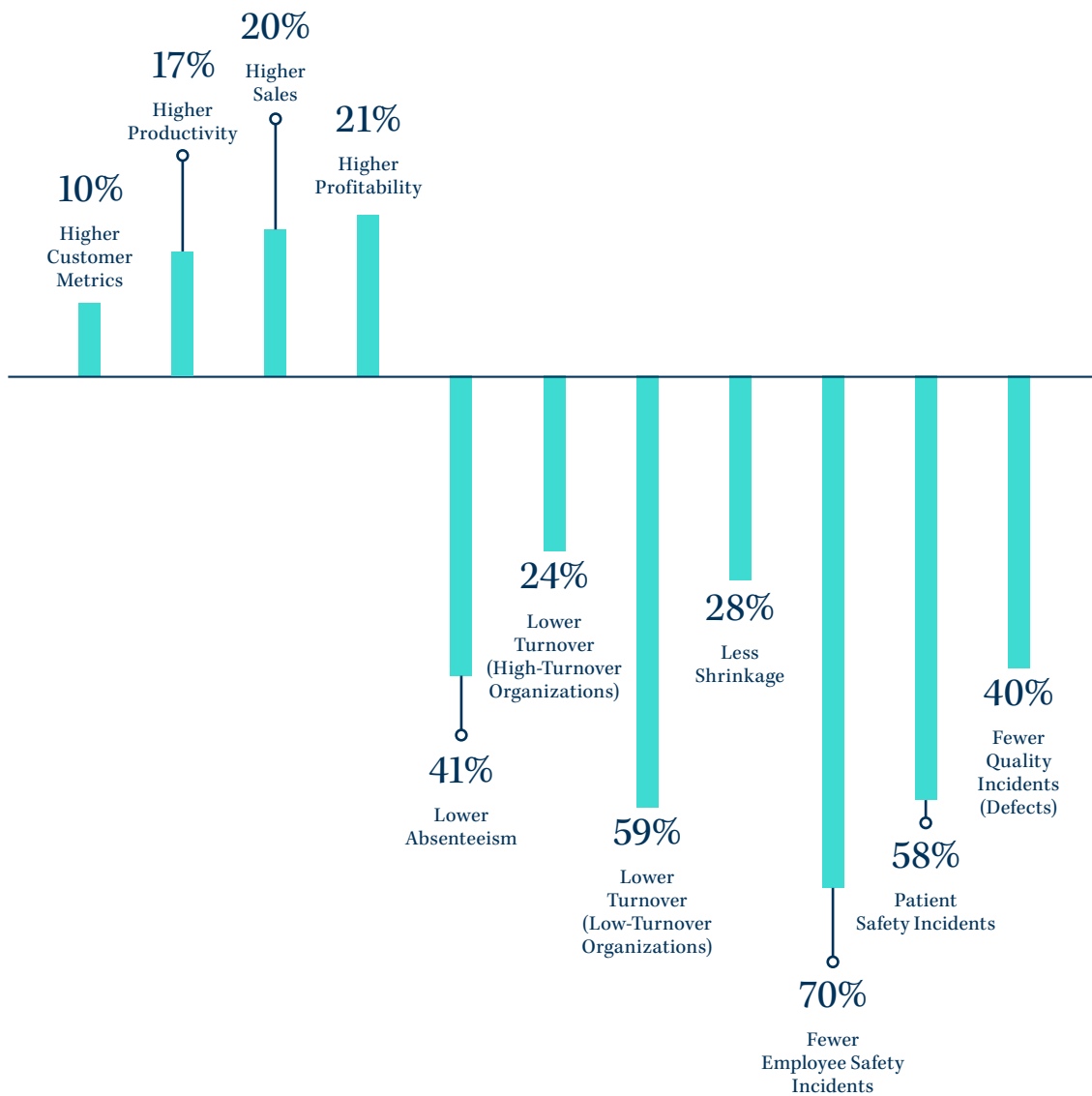
I found that employee engagement is measured in all the organizations I interviewed, albeit done in different ways and at varying levels of maturity.

— **Zora Artis**

The value of the annual employee engagement survey is questioned and is supplemented with other methods of listening, addressing concerns, and assessing the level of alignment with strategy, values, and purpose, and support from managers and leaders.

Internal communications, HR and in some cases marketing work collaboratively to encourage participation, interpret the data, feedback to the executive and the board, and communicate back to staff. All were transparent about the results – not just the metrics but the insights gained. The more progressive organizations deep dive with their people at the team level and collaborate to develop action plans to address issues. Ownership of employee engagement either sat with the CEO, the executive or was a collective responsibility across the organization. HR operationalized it with the support of internal communications, strategic communications and marketing.

Gallup’s findings (below) that engaged employees produce better business outcomes across industry, size of organization, country, in good and bad economic times was supported by those I interviewed. They added outcomes such as employee advocacy, brand reputation, competitive advantage for talent attraction and better wellbeing of people. One called it the “cultural echo of the organization” and another “you can feel it as you walk the floors”.



Impact of engaged employees in high performing organizations.

Source: [Gallup 2017 State of the Global Workforce](#).



Employee experience

Employee experience is what employees feel, observe and encounter over the journey with an organization. It starts from the beginning of the recruitment process and continues to a short time past their departure. Together with the employee value proposition, employee experience is the living breathing soul of the employer brand.

It involves HR, internal communications, IT, the physical and virtual environments, interactions with managers and leaders, as well as external audiences like customers, industry and community partners.

It affects engagement, culture, advocacy, customer experience and ultimately business performance. MIT researchers⁴⁵ found that organizations in the top quartile of employee experience were more likely to innovate, derive twice the amount of revenue from their innovations and their net promoter score (NPS) was twice as high as those in the bottom quartile.

The NPS link emphasizes the value to invest in experience holistically, taking into account employee experience, customer experience and user experience. The user experience applies to both employees and customers. Aligning these is one way of driving customer centricity. Yohn's research⁴⁶ in alignment of brand and culture showed that integrating both employee and customer experience leads to:

- Increasing the understanding of customers among employees
- Increasing the understanding of employees among leaders
- Driving deliberate experience design and delivery for both employees and customers
- Championing customers' and employees' perspective in strategic decision-making
- Measuring the impact of both on organisation's KPIs

The Employee Experience Index⁴⁷ outlines a framework of the drivers and outcomes of positive employee experience at work.

Figure 1: A Framework of drivers and outcomes of employee experience at work



Source: *The Employee Experience Index 2016, IBM Corporation, Globoforce.*

Leaders and managers are powerful in setting the tone and stage for a positive employee experience. This involves providing clarity in the purpose and vision and why employees matter to organizational success – it’s the narrative, messaging and behaviors.

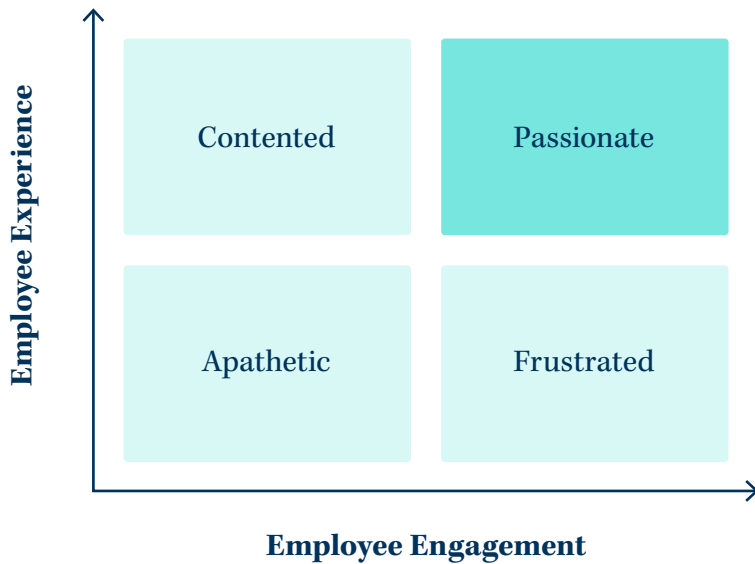
While the leaders set the scene, it’s the workplace practices that energizes the employee experience – or not. These practices relate to the environment, the work itself and the person. With Edelman⁴⁸ illustrating the importance of trust in the employee-employer relationship, the Employee Experience Index reinforces this. When an organization acts with integrity 83% of respondents had a more positive employee experience than when expectations were not met (46%). Supportive co-workers were also a driver with 77% compared to 35% when absent.

Unsurprisingly, as with employee engagement, one of the drivers of employee experience is the work itself – meaningful work, where the employee’s skills are being utilized and there is a strong alignment to shared core values. When this is present, positive employee experience is at 80% compared to 29% when it isn’t. Feedback and recognition rate highly as well for positive experience with 80% and 83% respectively, compared to 41% and 38% for those who don’t receive feedback and recognition for their work.

In relation to the individual, employee experience was influenced by the employee’s voice being heard, autonomy, and the time to recharge outside of work – scoring similar numbers to those in the environment and the work.



The study found that employee engagement and employee experience go hand in hand to reflect the state of the workplace. “Employees [with a positive experience at work] are more likely to report a high level of performance and discretionary effort in their work, and they are more likely to want to stay at their organization.”⁴⁹



Source: WorkTrends 2016 Global sample for the IBM, Globoforce, Employee Experience Index Study.

Strategic alignment

Alignment is about organizational unity. It's the ability to bring people together, to ensure that your people are on the same page, working together and traveling in the same direction. In other words, it's the common sense of the organization's purpose, values, vision, strategy and brand.

There's a vast amount of research that shows that strategic alignment is critical to the success of an organization.

McKinsey and Company conducted a study of the priorities of leaders as they ascend to the C-suite. The most important activity was rated to be 'Creating a shared vision and alignment around strategic direction across the organization'.

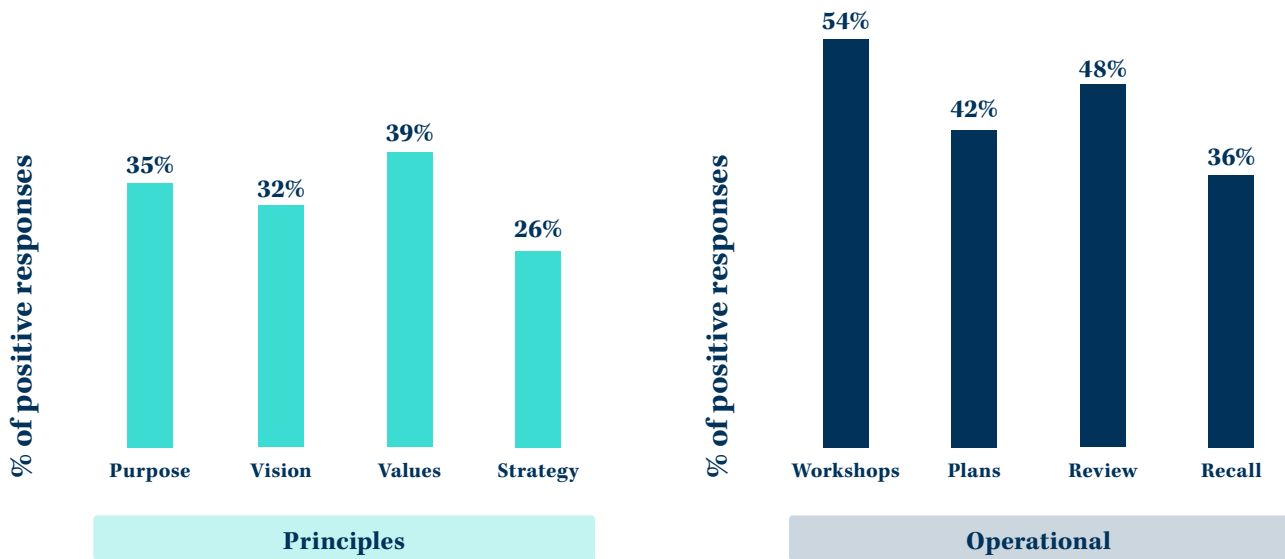
— McKinsey and Company

It was also rated as the second most difficult activity behind "Implementing material changes to organizational culture, as needed"⁵⁰. They also relate it directly with organizational health which they define as the ability to align around and achieve strategic goals".

The Global Alignment Study I co-authored clearly illustrated the importance to leaders and communicators alike, yet it showed the disparity of it in practice. We found that 74% of senior communication professionals strongly agreed that strategic alignment was important to achieving the organization's goals, yet only 13% strongly agreed their organizations were aligned.

We delved deep to ascertain where the issues are in relation to alignment with the corporate principles of purpose, vision, values, and strategy, and how it is applied in day-to-day operations.

We asked respondents a series of questions to ascertain if the principles were key to the way they do business and operationalized. Finally, we asked a recall question "If you asked 50 randomly chosen colleagues to articulate your organization's purpose, values, vision, corporate strategy and what your brand stands for, how many do you believe could answer correctly from memory?".



Alignment of corporate strategy and principles.

Artis, Z and Aspland, W (2018) Strategic alignment – How communicators can change the face of leadership.

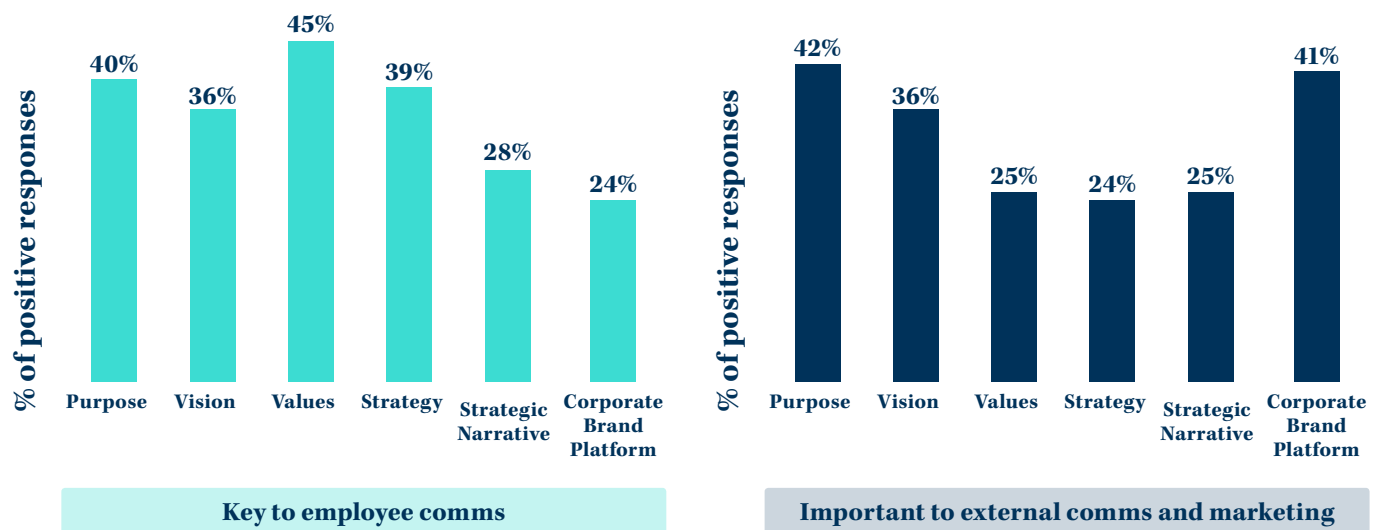
Our results are not an anomaly. In 2015, a longitudinal MIT study⁵¹ showed that only 55% of middle managers surveyed could name just one of their company's top five priorities.

So why is this happening? On the surface, people are talking about all sorts of different roadblocks:

- 44% report that they lack a clear strategic narrative or, alternatively, they have multiple narratives that don't line up
- 44% report that their organization has an overly tactical, rather than strategic, focus
- 31% report that they don't have the available resources or expertise to drive strategic alignment
- And more than half – 54% – report that they work for a siloed organization where team and corporate strategies are disconnected.

Those are the numbers but unpacking this we found the two reasons for misalignment was commitment from leadership (executive and senior) and communication professionals.

These results show that we have an opportunity to improve.



Alignment of corporate strategy and principles with communication and marketing.

Source: Artis, Z and Aspland, W (2018) Strategic alignment – How communicators can change the face of leadership.

All is not as bleak as it sounds. When you look at the top performing organizations who were strategically aligned we found common traits that effectively show what communicators need to do if they wish to drive strategic alignment in their organization.

- They need to treat it as a priority for internal communications, external communications and marketing
- They need to create, communicate and embed a single strategic narrative across the organization
- They need to influence and support the organization's leaders to ensure they become strong advocates for, and drivers of, strategic alignment
- They need to understand their brand and embed it into the culture and the way they behave and communicate
- And they need to build strong partnerships with Strategy, HR, Legal, Marketing and Finance to ensure that the narrative is embedded into strategy, planning, reporting, performance management and, possibly, professional development programs.

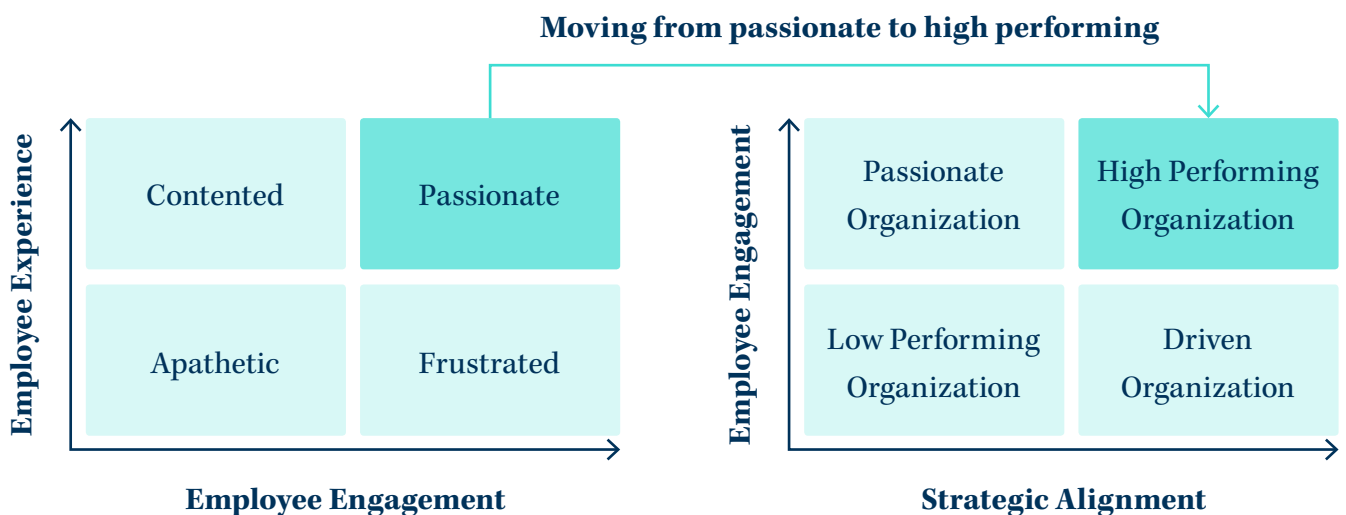
What is clear is that alignment cannot be achieved without the support of internal communications, and cross-functional collaboration, in particular with HR and the CEO^{52,53,54}.

Going back to Peter Sheahan’s keynote at the IABC World Conference: he also drove home the opportunity that exists for communication professionals to re-frame, focus and champion alignment in the organization. He simplifies the concept of alignment to closing the gap between what you say and what you do.

It’s about behavior from leadership and requires clarity and commitment. “Creating alignment requires doing the hard work of changing decisions, priorities, resources, and processes to shift organizational behavior. Because alignment is hard, leaders must actively drive alignment across their organizations. Before a company can be purpose-driven, leaders must drive purpose. This is not a passive process. It requires deliberate, disciplined leadership, and an active and continued focus over time.”⁵⁵

Weiss and Molinaro⁵⁶ assert that a high performing organization needs to balance employee engagement and strategic alignment. It’s a simple concept. Your people need to be committed, which is the engagement piece. But they also need to be connected and working together on the right things. That’s the alignment piece. High performance comes from people being both engaged and aligned.

Let’s loop back to the employee experience and employee engagement relationship. The ideal context is one where we have a passionate organization. By adding alignment to the context it can elevate from a passionate to high performing organization.



Source: WorkTrends 2016 Global sample for the IBM, Globoforce, Employee Experience Index Study.

Source: Weiss, DS and Molinaro, V (2010). *The Leadership Gap Building Leadership Capacity for Competitive Advantage*. Wiley.



What can we learn from those who are doing it well?

I've looked at integrating the top-line learnings from the case studies in *The Next Level: Global IC Report*⁵⁷, the *Global Alignment Study*⁵⁸ and my in-depth interviews with 18 C-suite executives in government enterprises, private and public companies, small through to Fortune 500 multinationals.

"Each of these will be explored in depth in my two upcoming Poppulo publications: "How the C-suite Can Drive Business Growth Through Internal Communications" and "Business Acumen in Internal Communications – Why it matters and How to Build it."

— **Zora Artis**

- **Governance** – clear and effective processes, defined roles and responsibilities across functions, defined metrics, regular evaluation and reporting on progress and results, and articulated risk.
- **Alignment** – driven by C-suite, championed by communication and HR professionals, enabled by managers and team leaders.
- **Ownership** – employee engagement, experience and alignment is ultimately owned by the CEO and the C-suite, but ideally is owned by all across the organization.
- **Collaboration** – bringing together diverse perspectives and experiences across functions, geographies, and, where appropriate, external partners, customers and community.
- **Human-centric** – it's about people, people, people. A holistic perspective taking into account internal and external audiences as well as stakeholders.
- **Transparency** – building trust through openness, sharing the context, why, what and how, the good and the bad.
- **Narrative** – simple narrative and messaging that is easily understood and relatable.

- **Authenticity** – genuine role-modeling behavior and do what you say, following through on promises and with initiatives.
- **Integrity** – living the values and purpose, taking a stand for what matters to organization and those it serves.
- **Wellbeing** – focused on the mental and physical well-being of people, giving them space to balance work and private life.
- **Accountability** – outcome-driven, reporting to C-suite and the board.
- **Recognition** – celebrating successes, individual and team contribution aligned to strategic pillars, values and purposes; recognizing lessons learnt from failure and iterating.
- **Knowledge-sharing** – peer-to-peer and leaders sharing stories and collaborating to solve problems across multiple communication channels.

Internal communications stepping up

Supporting the well-articulated work in *The Next Level: Global IC Report* and the recent Happeo series by Mike Klein, I've identified what competencies and characteristics would be needed for internal communications professionals to respond to Peter Sheahan's rallying call to step up. Each of these will be explored in depth in the upcoming Poppulo guides I mentioned earlier.

- **Business acumen** – I feel like this has been on rotation since I've been working in communication. To be taken seriously at the C-suite, you need to speak the same language, understand numbers, ratios and the bottom line, understand risk beyond reputation, be able to read the external market and the impact upon the organization, and know how to pull together a concise business case.
- **Accountability** – this is about measurement, evaluation and aligning back to the business problem and objectives. Yes, this can be difficult, but it is not impossible. Don't fall into the trap of focusing upon outputs; look at where you can have either direct impact or demonstrably influence it. Digital platforms do make measurement easier, but it also requires qualitative and quantitative research to dig deeper.
- **Simplify** – this is where internal communications can shine, translating strategy and complexity into relatable language and visuals, and enabling leaders and managers to connect with people in a more authentic way. Cut the noise with relevant content delivered to right people at the right time. Simplify the processes to drive efficiency and insight, with digital solutions such as Poppulo.
- **Critical thinking** – good communication relies on active listening and observation. What do you hear and see, and what is not being said? Look beyond the data to distil the insights and use your judgement to provide strategic counsel.
- **Curiosity** – explore the world beyond internal communications for inspiration and best practices; take the time to understand the trends that impact consumer expectations; seek out the opportunities in these that could seed innovation; apply the design thinking mindset and spend more time identifying problems before you jump to the solution.



- **Courage** – this is what it takes to have the tough conversations, acknowledge your own vulnerability to seek out help, and to have the confidence to provide counsel that might not be what leaders want to hear.
- **Holistic** – you're not confined to a box so think beyond internal communications and apply the growth mindset; know where you fit into the bigger picture of the organization and think about how you can contribute to it.
- **Respectful** – practice mindfulness and be fully focused on those you are with; seek out and acknowledge the value of the contribution of diverse perspectives.
- **Enable** – share your knowledge to help leaders and managers be better communicators, provide tools and guidance to give them the confidence; and enable the employee and customer voice to be heard.



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About the author



[Zora Artis](#), GAICD, SCMP, FAMI, CPM, is the CEO and founder of Artis Advisory in Melbourne, Australia. Artis Advisory is a strategic advisory practise focused on helping clients succeed whether it's solving a business problem or leveraging opportunities through better organizational alignment, engagement and communication. Zora has almost three decades of experience in business, marketing, communication, advertising and branding.

She is the current Chair of IABC Asia Pacific Region Board and past director on the IABC International Executive Board (2016-2019). At IABC she's been a member of numerous committees and task forces, IABC Victoria Past President, IABC Gold Quill winner, a recipient of the IABC 2015 Chairman's Award and is a Gold Quill Awards Blue Ribbon Panel evaluator. Zora is a certified company director with the Australian Institute of Company Directors, a Fellow of the Australian Marketing Institute, and holds a Master of Commerce and Master of Marketing.

In 2018, Zora co-authored and researched a [Global Alignment Study](#) with Wayne Aspland that focused on strategic alignment in organisations with a communication and leadership lens in corporate, public and not-for-profit organisations. It is the first global study to do this. The research involved a survey of 227 communicators from North America, Asia Pacific, Europe, the Middle East and Africa. Eighty percent of respondents were senior level communicators in organizations from less than 50 to more than one million employees.

*[IABC](#) is a global membership-based association for business communication professionals in more than 70 countries.

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