

A fuzzy nicety or the life blood of an organisation?

For many, internal communication falls into the fuzzy realm of Marketing, Advertising or PR which are generally addressing an external audience.

Over the last 10 years or so however, it has become commonly accepted that Internal Communication is as important as External Communication. After all, if your own employees don't believe what is written or said about your organisation then why should your customers?

FEIEA (the Federation of Business Communicator Associations in Europe) has announced the headline results of its latest survey among nearly 5,000 practising workplace communicators. Internal communication was reported as a key success factor for 79% of the organisations.

When Deloitte and Touche Human Capital conducted a survey among American CEOs who were asked which HR issues are very important to the success of the organisation, 95 percent of them said "effective internal communication." Simultaneously, only 22 percent agreed that they thought it was being delivered effectively...

Internal communication isn't some warm and fuzzy optional nicety it is the lifeblood of any organisation. If blood of the right quality doesn't circulate at just the right pressure and speed to all parts of the human body, those parts slow down and could stop working altogether. The body could then become sick and die...

An organisation where communication doesn't flow freely is no different.

Internal communication isn't limited to vision and mission statements from the top; its not just news releases publicising financial results or new product announcements; it is not just internal or client newsletters, annual reports or video streamed messages to the troops. These are all important, but they form just a fraction of the communication and miscommunication that takes place every day in the workplace.

Internal communication is written, spoken and non-verbal interaction among people in the organisation that get things done, for instance;

- It takes co-operation to create a product or a new service.
- It takes collaboration to open up a new market.
- It takes teamwork to implement a strategy.

It takes effective internal communication to oil and run the machinery of any organisation. And when that machinery breaks down, as it often will, a great deal of profit can be lost.

What is the impact of poor internal communication?

How much would poor communication cost an organisation over a twelve months period? Most organisations would have no idea, and it is highly likely that it would be more than they can afford.

Financial statements from an organisation at the years end or even monthly budget versus actual departmental reports rarely indicate such things as;

- Lost productivity due to poorly run meetings,
- Missed business opportunities through poor cross functional understanding, or
- 35% employee turn over because we say one thing and do another

Do the arithmetic on poorly run meetings

Regardless of its purpose, a meeting is an exercise in communication: you speak, you listen, and you interact. It is rare to find anyone in business who has not complained about meetings at some time: too many, too long, and too boring. You could add to that: too expensive.

Consider meetings that are supposed to last an hour but somehow expand to use up most of the afternoon. Calculate the hourly cost of total participant time and multiply by the length of the meeting. Keep in mind that the more senior the participants the more expensive the time. The result may not sound too alarming, until you consider how many of those meetings take place in your organisation every day, every week, every year. Work it out for yourself.

What is the cost of unproductive meeting time across your organisation?

Consider the cost of correspondence

Letters, reports, memos, and now the wonder of e-mail: Written communication is an integral part of doing business and the volume of communication is increasing, most people tell us.

Unfortunately, studies demonstrate that employees spend too much time writing it, and do not write clearly and concisely, so that those on the receiving end spend too much time reading it...

If an employee spends just two hours a day reading, writing and managing e-mail, that equates to a cost of 20 to 25% of their total remuneration. What is your total wages bill?

What is the cost of creating and reading poor communication across your organisation?

Let's take recruitment as an example

The actual cost of recruiting and training a single new hire can be between three to seven times salary when you factor in the cost of recruitment, induction, training and the lost productivity from having a new member of the team. The higher the staff turnover the more this also de-stabilizes the corporate culture.

Effective internal communication plays a valuable role in both retention and professional development.

Some research suggests money comes second as a reason why employees opt to be part of an organisation. A high percentage of the time the primary reason was found to be a sense of direction clearly communicated by the top management. Explanatory comments suggested this was because of a desire to belong to the team and a feeling of responsibility for the future of the company.

Successful organisations build this loyalty through effective internal communication

What about the cost of lost opportunities?

Day after day in the workplace, millions of people go through the motions of talking with their colleagues in person and on the phone, constantly connected through technology, and yet never truly communicating with one another. Every one of them is an opportunity for your organisation to learn, to improve and to generate profit.

Study after study tells us that respect and trust are more important than authority in getting things done, and one of the best ways to show people they are valued is to listen to them. The sages from the ages from Socrates through Carnegie to Steven Covey have said "Listen first you'll understand better and increase your chances of being understood" Sadly, listening is probably the most underused of all the communication skills.

Typical impact of poor internal communication

Short-term impact	Long-term impact
<ul style="list-style-type: none">• Spread of misinformation.• Misinformed employees can make wrong decisions.• Erosion of employee trust and confidence.• Conflicts between employees and management.• Internal brand image suffers.	<ul style="list-style-type: none">• Lack of coherent and shared vision.• Low employee morale results in lower productivity. Dissatisfaction among employees leads to higher attrition.• Impact on company share price.• External brand value suffers.

What are the benefits of effective internal communication?

Whether an organisation has two or 200,000 employees, its ability to achieve its business objectives depends on how well it engages, aligns, and motivates its employees.

Depending what research you buy in to, somewhere between 30% and 80% of all corporate change initiatives fail to achieve their objectives. Whatever body of research you read one of the principal reasons will be poor communication within the team and or the enterprise at large.

Effective internal communication helps the organisation to meet its objectives. It is the vital link that encourages everyone to deliver on their responsibilities. Communication is not just the language; it involves trust, relationships, control and delegation. It can be used to create transparency within the organisation and through this help in raising the morale and motivation of employees which tends to increase productivity. Internal communication also helps stimulate much-needed feedback from employees to top management. Some benefits could be listed as;

- It provides information and encourages sharing by driving and supporting the organisation's short-term and long-term goals and objectives.
- It ensures that these initiatives are implemented and followed at a local level.
- It ensures that knowledge sharing and communication processes are part of the daily workflow across all functions of the business.
- It helps drive ownership and shared engagement.

The ability of a company to carry on an effective dialogue with its employees directly affects the bottom line performance, driving such objectives as productivity, quality, safety, customer loyalty, and employee retention.

Most experts on organisations, management and leadership, assert that effective internal communications is a key factor in the effectiveness of any type of organisation.

Most CEO, HR professionals and consultants agree. How about you?