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CONSULTING

The Review

INSIGHTS, IDEAS & INFORMATION

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White Maple is a strategy consulting firm. We aim to deliver results for clients that produce lasting improvements to performance through facilitating alignment between strategy, the market and brand, and the organisation's people, structure and processes.

We focus on working with service organisations. Principal sectors include:

- Commercial (business-to-business)
- Government
- Member organisations and charities
- Professional services

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It's good to talk... and listen!

BOB EMPSON

Everyone knows that internal communication is important. And managers frequently complain that their staff don't read or listen to what is communicated; and staff often claim that they are kept in the dark. Yet many organisations do not spend sufficient time thinking about, monitoring and planning internal communications and, in my experience, it is often omitted from management teams' agendas. This article revisits why communication is so important, lists some of the challenges and problems and then suggests some general principles for effective internal communication.

WHY COMMUNICATE?

You probably already accept that effective internal communication is a "good thing" but it is worthwhile dwelling briefly on "why" it's so important to organisational performance:

Strategy. Effective internal communication can ensure that an organisation's strategy has considered the opinions and insights of staff. Also, absolutely critical to effective execution is that staff understand it, know their role in implementing it, can contribute their experience to refining implementation plans and share good practice, ideas and information.

Change. When an organisation is going through significant change, internal communications can help staff to make the psychological journey from, for some, denial and resistance, through to acceptance and commitment. At different phases of the journey the information needed will vary from understanding the why and what of change, to how they can contribute.

Brand. The external perception of an organisation (its brand) will be influenced significantly by how your staff see the organisation. Thus internal communication is important to creating a consistent internal perception of the organisation which can then be displayed and communicated externally by staff.

Cohesion. The cultural cohesiveness of an organisation will be strengthened by internal communication which enables senior executives and staff to develop and share their vision, values and beliefs, and to reinforce the culture through appropriate displays of behaviour and use of "rituals", symbols and language.

Engagement. Effective communication can help to ensure that staff are engaged with the organisation in terms of commitment, morale and motivation. This can assist, for example, retention, recruitment and personal performance.

IT ISN'T EASY!

Effective internal communication isn't easy to achieve. These are some of the typical problems and pitfalls:

- Senior managers believe that they have communicated a message, but in fact it has not been heard or understood.
- Over reliance on a limited set of communication media.
- The source of the information might not be trusted or may be perceived to be biased.
- People don't know who to contact internally for specific information or decisions.
- Too little communication and even too much (when staff can come to view it as "spin").
- The target audience might not be receptive to the information or might not be capable of interpreting and using it.

"COMMUNICATION IS MULTI-DIRECTIONAL…"

REFERENCES

This article has drawn on both the author's experience and a number of published sources. Key sources are given below.

Analysing Organisations (3rd edition)

Has a very good chapter on communication.

By Sandra Dawson

Macmillan Business, 1996.

Common Sense in a Changing World

A very useful short paper that looks at internal communication and engaging with staff on the "change journey".

By Serena Lydon

Ipsos Mori.

Making Strategy Work

Looks at communication in the context of strategy execution and managing change. A good book which was reviewed in Issue 9 of The Review.

By Laurence G. Hrebiniak

Wharton School Publishing, 2005.

The Art and Discipline of Strategic Leadership

Has a very good chapter on communicating strategy to internal and external audiences.

By Mike Freedman

McGraw Hill, 2003.

The Five Messages Leaders Must Manage

Highlights the power and perils of internal communication by CEOs.

By James Hamm

Harvard Business Review, July 2006

The Trusted Leader

Examines some communication issues for leaders. See Issue 2 of The Review for a review of this book.

By R. Galford & A. S. Drapeau

The Free Press, 2002.

- A view that internal communication is primarily a "top-down" process, and not also "bottom-up" and horizontal across the organisation.

- An overdependence on formal communication techniques, with insufficient attention being given to facilitating informal communication.

- The political and power structure can constrain staff from approaching managers with questions, ideas and challenges. I have often come across managers who proudly proclaim that they operate an "open door policy" whilst enthusiastically pointing at their open door (as they sit behind a large desk and a PA sits guarding the doorway!).

- Office layout can be a barrier (e.g. enclosed offices, departments on different floors).

- There are often difficulties with language. This can be in terms of, for example: the lack of a common language (e.g. shared understanding of standard terms such as vision or of measures of performance). And the language being used to communicate will sometimes not be the first language of all staff.

"THERE ARE OFTEN DIFFICULTIES WITH LANGUAGE…"

- Communication is made more difficult with geographic dispersion of sites and teams/staff (sometimes across time zones) and more flexible work practices such as home and part-time working and job sharing.

SOME PRINCIPLES

There is no quick fix solution to any organisation's internal communication challenges. But here are some general principles:

Taking responsibility. If you accept that effective internal communication is a vital ingredient for high performance, then there can be no argument that ultimate responsibility lies with the Chief Executive and senior management team. It is not a matter that can be delegated without the senior team being directly and visibly involved in the delivery of key messages and also actively involved in planning and monitoring effectiveness. However, it is also important that every member of staff understands that they have some responsibilities for internal communication (e.g. sharing information and ideas, and listening!).

Planned and proactive. Internal communications should be planned so that it is targeted and proactive, with defined outcomes, rather than ad hoc and reactive. Targeted activities will help to improve both effectiveness and efficiency. Whilst some elements of the plan will, and should, have longer term objectives, themes and on-going programmes of activities, the planning process also needs to involve regular reviews to consider tactics in response to new issues and ideas. Special projects and change initiatives will need their own internal communications plans; and business continuity plans will have an important communications element. The aim is to have internal communications which are timely, accurate, efficient and effective.

Get feedback. Ask the audience! Listen! Communication is multi-directional (i.e. not just up and down the hierarchy, but also across it). Staff should be regularly consulted (formally through surveys, and informally) to learn what they have heard and understood from the communications, to get ideas on the methods that work for them and the content of communication. The effectiveness of internal communication can also be measured.

Use a variety of media. The range of media is vast. The trick is to select a mix of techniques that is appropriate to both the target audiences and the messages. It is worth remembering that some techniques will be more acceptable to some staff than others; for example, some staff might like to have access to podcasts to listen to on their MP3 player, whilst others might prefer a printed newsletter. Just some of the many techniques available include: newsletters (printed and/or electronic), websites and intranets, internal blogs and web fora, video conferencing and internet video conferencing, teleconferencing, noticeboards, posters, email, podcasts, DVDs, in-house television, staff directories, conferences, group meetings/workshops, one-to-one meetings, parties and celebrations, suggestion/ideas systems, induction programmes, training, personal letters, memos, posters and manuals/handbooks. Occasional experimentation and testing will also help to keep your activities fresh and engaging.

Support informal communication. By informal communication I mean communication which is initiated by individuals themselves. Informal communication happens all the time (e.g. the "grapevine" and diffusion of rumours and stories). An organisation can facilitate and support constructive informal communication, without trying to control it (even if that was possible!). Some support mechanisms include: arranging events and social activities which provide opportunities for colleagues to meet each other; provision of informal meeting and relaxation spaces; managers taking time to "walk the talk"; development of communication technology resources; and training people in communications.

BOB EMPSON is Principal Consultant at White Maple Consulting. With a background in strategy, marketing and organisation development, he has over 20 years experience of working with clients on internal communications. In addition to reviewing and planning internal communications, he has advised senior executives, undertaken staff surveys and assisted with implementation of a wide variety of communication programmes, including designing and facilitating staff conferences and workshops.

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SWOT: revision!

BY BOB EMPSON

SWOT analysis is a simple and commonly used tool for strategic analysis. This article first reviews the components of a SWOT analysis and then summarises its principal benefits. Some of the most frequent problems with SWOTs are discussed, along with some suggestions for improving the analysis.

SWOT stands for Strengths, Weaknesses, Opportunities and Threats. As a component of the strategy development process, SWOT is a tool for summarising the outputs of analyses of the organisation's external environment and audits of its internal resources and capabilities.

Analysis of the external environment evaluates key forces and future dynamics in the macro-environment (including political, economic, social, technological, legal/regulatory and natural environment dimensions). It also examines competitors (including potential new competitors and substitutes), customers and other stakeholders, suppliers and sources of supply. Internal analysis reviews the organisation's resources (e.g. financial, human, technological, products/ services, intellectual property) in the context of, and relative to, the external environment. These analyses can be complex. The beauty of SWOT is that it summarises and simplifies complex situations to show where an organisation should focus its attention.

Strengths and Weaknesses are features of the internal environment. Strengths should focus on those resources or capabilities that give, and will give, the organisation competitive advantage. Weaknesses are the opposite; they may also include areas where the organisation lacks strength. Examples of strengths include:

- a strong brand;
- cost advantages;
- intellectual property;
- location.

Weaknesses could be the opposite of these and also, for example:

- lack of a sales force;
- inflexible working practices;
- poor internal communications.

Opportunities and threats are external to the organisation. They emanate from the market and wider external environment. Examples of opportunities:

- new geographic markets;
- expansion in existing markets (perhaps due to weak competition);
- new products and/or markets resulting from technological developments;
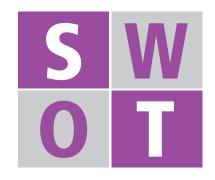- new markets being opened up due to regulatory changes.

Threats could include:

- a new competitor growing successfully;
- substitute products becoming available;
- legal changes that stifle operations;
- market shrinkage due to economic downturn.

BENEFITS

Key benefits of SWOT analysis are that it:

- simplifies complex analyses to define the current position of the organisation;
- helps with communication of key elements of strategic analysis to both internal and external audiences;
- focuses attention on key strategic issues;
- guides decisions on matching resources and capabilities to the environment in which the organisation operates.

COMMON PROBLEMS

Some of the most common problems with SWOT analyses are as follows:

Insufficiently specific. It is important that elements of the SWOT are as specific as possible. A frequently cited strength is, for example, "our people". But this is not specific enough. What is it about the organisation's people that will give competitive advantage? Which specific people or groups contribute to the strength? What it is about the people that is relatively strong: e.g. knowledge; specific skills; cost? Being specific can be hard; but it is essential.

Lack of focus. Long lists under each heading are often a sign of weak or complacent analysis. Long lists hide the critical strategic issues, leading to a lack of focus in the strategies and actions that emerge.

Weaknesses as opportunities. Frequently I find weaknesses that are classified as opportunities. Improving some aspect of the organisation's resources or service is often classified as an opportunity; for example: "improving our customer service". But, if the tool is being used as it should be, the analysis should probably have identified "poor customer service" as a strategic weakness in the organisation's capabilities.

Lack of analysis. This is the most common and significant problem with SWOT analyses. The danger lies in the tool's very simplicity. A management team can in just a few hours throw up a SWOT analysis onto flip charts. All too often, significant decisions and resource allocations are made on the basis of an initial "quick & dirty" SWOT which has not been refined with more detailed analysis. The risks of doing this are obvious. There is no harm in a SWOT analysis being completed early in a strategic review (indeed, it can help to identify some tactical issues that need to be resolved and the process of preparing it may help to establish the team leading strategy development). However, SWOT should summarise detailed and objective analysis rather than replace it.

Lack of other perspectives. A SWOT analysis is bound to reflect to some extent the perspectives, bias and prejudices of the (usually) small group of people that develop it. The views of other stakeholders (e.g. staff) are frequently not gained. Wider consultation can also help to engender a greater sense of ownership of the resultant strategy and thus more commitment to implement it.

IMPROVING SWOTS

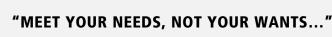Suggestions for ensuring that SWOT is effectively developed and used appropriately include:

- providing training (and regular refreshers) on it for not only those producing the analyses but also for people who need to understand and use them;
- involving an experienced, skilled and independent person (e.g. non-executive director or a consultant) to facilitate its development, particularly to challenge underlying assumptions and to ensure its contents are specific and tested;
- involving and consulting stakeholders (beyond the planning team and senior management) with its development; this can also have the benefit of giving wider ownership in the organisation of this important analysis.

SWOT is a powerful tool that aids strategic analysis, decision making and communication. However, its very simplicity can also lead to mistakes in its development and use, with consequentially flawed strategic decisions. Training, consultation and independent facilitation can both help to avoid the pitfalls of SWOTs and also improve their analysis and use.

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WEB SITES

Networking sites are one of the latest phenomena on the web. And it's not just kids creating their profiles! They are increasingly being used by business people, politicians and charities. Here are a few sites to get you started!

Bebo
www.bebo.com
The third most popular networking site in the UK (after Facebook and MySpace). An orientation towards entertainment and music. Recently rated as best performing social networking forum by Computing Which?

Facebook
www.facebook.com
Now one of the most popular sites for UK teenagers (and, increasingly, their parents!). Easy to use. A vast array of applications have been developed for the site. The privacy settings are slightly complicated for the novice.

hi5
www.hi5.com
Not so well known in the UK, this site claims 60 million accounts. The site can easily be switched for use in any of about 12 languages.

Linkedin
www.linkedin.com
More business orientated than other sites. It claims more than 17 million "experienced professionals" globally. Free to join but also offers paid accounts giving access to more tools to find people.

MySpace
www.myspace.com
The biggest of the lot, now boasting over 300 million accounts! Owned by Rupert Murdoch's News Corporation. Used extensively to promote musicians and by US Presidential candidates.

Book Reviews

Psychologists are the authors of this issue's books. Oliver James presents a compelling analysis of the causes of the unhappy states of mind of many people in our society today. Whilst Howard Gardener prescribes the five minds that people will need if they are to thrive in the world of the future.

Affluenza
By Oliver James

A global epidemic of the Affluenza virus is causing "emotional distress". This is the claim of Oliver James. The virus is a set of values which leads us to define ourselves in terms of money, possessions, physical and social appearances, and fame. Affluenza is about "having" rather than "being".

You can consider Affluenza at a personal level in terms of how the virus might relate to your own well-being and to your family and friends. Do you have the virus? Two simple tests allow you to explore if you have caught it and the extent to which you suffer from related symptoms.

This book will also be valuable for leaders in organisations and, in particular, specialists in "human resources" and marketing. Marketeers and media folk might be challenged by James's assertion that "advertising unashamedly fosters unhappiness with oneself and with one's possessions" and is a major contributor to catching the virus.

Although he does not present "a false promise of the possibility of happiness", James dispenses some practical "vaccines" against the virus. At a more fundamental level he argues passionately (if idealistically) for an "Unselfish Capitalist" society where the slogan would be "Meet your needs, not your wants; Be, don't Have; cooperate as well as compete".

Affluenza is insightful, compelling and written in an easy conversational style. It might not make you happier but it could, at least, help you to better understand yourself and to comprehend the extent and causes of personal "emotional distress" in our society today.

OVERALL RATING

Vermilion, 2007. £17.99

Five Minds for the Future
By Howard Gardner

This book argues that new ways of thinking are needed because we have "embarked on what may be the ultimate, all-encompassing episode of globalization" and current formal education "prepares students primarily for the world of the past". Howard Gardner prescribes five "minds" that will be needed "to thrive in the world during the eras to come".

The disciplined mind masters at least one distinctive way of thinking (e.g. a profession or craft). The synthesizing mind can take disparate information to produce new insights. The creating mind breaks new ground with new ideas, questions and ways of thinking. The respectful mind "welcomes differences" between individuals and groups, and tries to work effectively with them. The ethical mind considers the needs and desires of society, including how "workers can serve purposes beyond self-interest and how citizens can work unselfishly to improve the lot of all".

Slightly worrying might be Gardner's almost missionary zeal in arguing his case. Individuals without each of these minds face a rather gloomy future, for example: "individuals without ethics will yield a world devoid of decent workers and responsible citizens: none of us will want to live on that desolate planet". And "our survival as a planet may depend on cultivation of this pentad of mental dispositions".

A thought-provoking book which also includes a helpful summary of how the five minds can be cultivated both by formal education and in the workplace. But perhaps Gardner spoils things with his occasionally pompous style and by overstating the gravity of failing to cultivate the five minds: does the Earth's very survival really depend on it? Better call Flash Gordon.

OVERALL RATING

Harvard Business School Press, 2006. £14.99

WHITE MAPLE NEWS

LONDON MARATHON
Bob Empson, Principal Consultant, completed the Flora London Marathon in April 2007. Generous support from numerous clients and other friends helped him to raise over £4,000 for Médecins Sans Frontières (MSF). He is running it again on 13 April, this time for The Stroke Association. If you would like to sponsor him, please visit www.justgiving.com/bobempson1 and White Maple will match all donations up to an overall maximum of £1,000.

RECENT WORK
In 2007 our work with clients included, for example:
• Designing and facilitating large-scale staff conferences for a firm of solicitors and for an agency in the National Health Service.
• Working with two large professional bodies to review their strategies.
• Delivering a programme of 25 strategy/marketing workshops for a client in the Asia/Pacific region, India and Mexico.
• Facilitating strategy "awaydays" for a leading charity and a housing group.
• Advising an up-market firm of estate agents on its corporate strategy.

ONLINE RESOURCE
All issues of The Review are available on our website. This now includes a new indexing system so that you can find more easily articles and books on topics that interest you.