



Public Affairs and internal communications

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Today's business environment?

- **External**

- Civil society. Stakeholders as well as shareholders
- In Asia, labour rights a major focus in-country and internationally
- Rapid and permanent change
- Globalisation
- Reputation matters. Premium on restoring corporate trust

- **Internal**

- Emphasis on execution/performance
- Leverage resources not just manage assets
- Changing relationship with employees
 - knowledge workers/free agents
 - information entitlement
 - in India, Vietnam and China - factory jobs are only *one* part of the equation
- Changing role of company leadership

Where Public Affairs can add value - window in, and window out

- Guide the corporation to interpret and understand the external environment (issues management, **internal communications**, public policy development, input into corporate and business strategy, corporate social responsibility)
- Help the external environment (stakeholders, media relations, stakeholder engagement, government and regulatory relations, CSR)) understand the corporation, and its **internal environment** (values, workforce, geography, aspirations), and seek to influence the external environment



Employee communications is now a sophisticated management tool



Evolution of employee communications

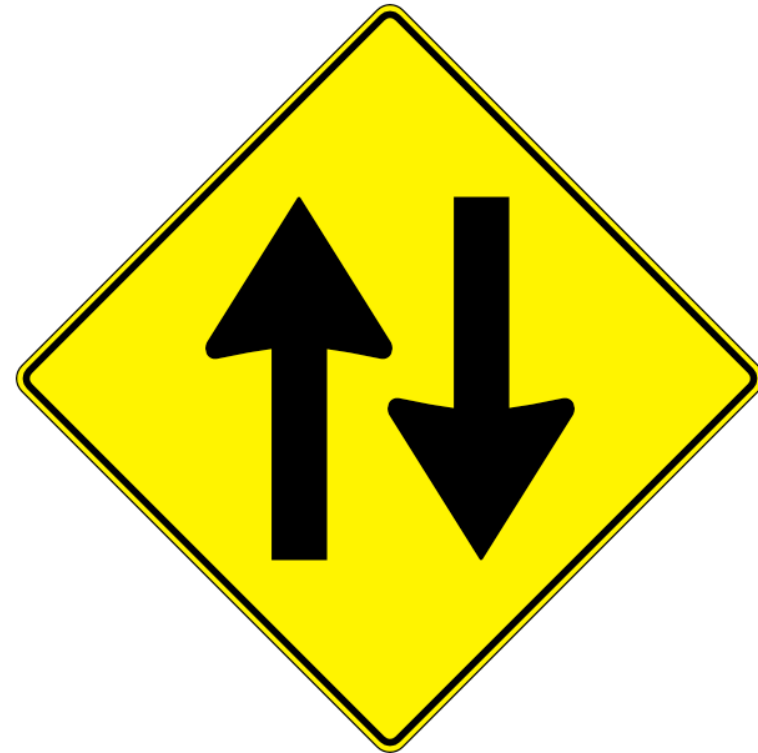
From ...	To ...
Employees as an afterthought	Employee as a priority stakeholder group
Ad hoc activities	Integrated strategy
Silo activities	Alignment with external strategy
No clear accountabilities	Dedicated function
One-way information distribution	Dialogue and engagement
Anecdotal monitoring	Sophisticated measurement and management KPIs linked to remuneration at risk

There are BIG variances in Asia - manufacturing versus corporate head office

- Mass manufacturing and retail customer-facing employees:
 - Communication needs tend to be about conditions, pay and quality, rights entitlements - short term goals
 - May or may not be direct employees, or identified with a brand or reputation
 - Depending on market, employees have short-term use of employment and organisational loyalty
- Head Office, B2B and line employees
 - Where do I fit in?
 - Where is the corporation going?
 - What is my contribution?
 - How will I be measured?
 - What is my worth, and how will I be rewarded?

Trends in employee communications in best practice organisations

- From ***reporting to employees*** (one way communication) to ***engagement with employees*** (dialogue)
 - **Report to** - key messages delivered to staff. Awareness of corporate objectives, performance, areas to do better. *“We want to inform you.”*
 - **Communicate with** - about achievements. Some feedback (face-to-face, email responses, CEO forums.) *“This is the way we are going. Come with us. This is what you will get out of the arrangement”.*
 - **Engage with** - face-to-face predominant and feedback loops. Taking staff pulse regularly. Tell staff first if possible. *“These are our values. Help us live them so we can be sustainable. Stay with us, because we have mutual interests”.*



How Employee Communications adds value to the organisation

- **Internal/ employee communications has become a strategic priority for business in response to major corporate change**
 - Productivity, optimisation, mergers, acquisitions, divestments, restructuring, downsizing, outsourcing, change to process, vision, mission, values, re-branding, cultural change, reputation stewardship.
- **Good employee communications outcomes are often co-produced (with HR, line management, CEO and her/his team) to deliver business goals**
 - Organisational change, culture, innovation, profit, customer service, improved company performance.

Good employee communications underpin effective change management

- **General best practice principles of change management**
 - Senior management buy-in to internal communications
 - Leadership must be visible
 - Employees must be involved - feedback and *dialogue*
 - Relationships need to be forged at all levels of an organisation
 - Face-to-face communications with managers is most effective (messages trusted most)

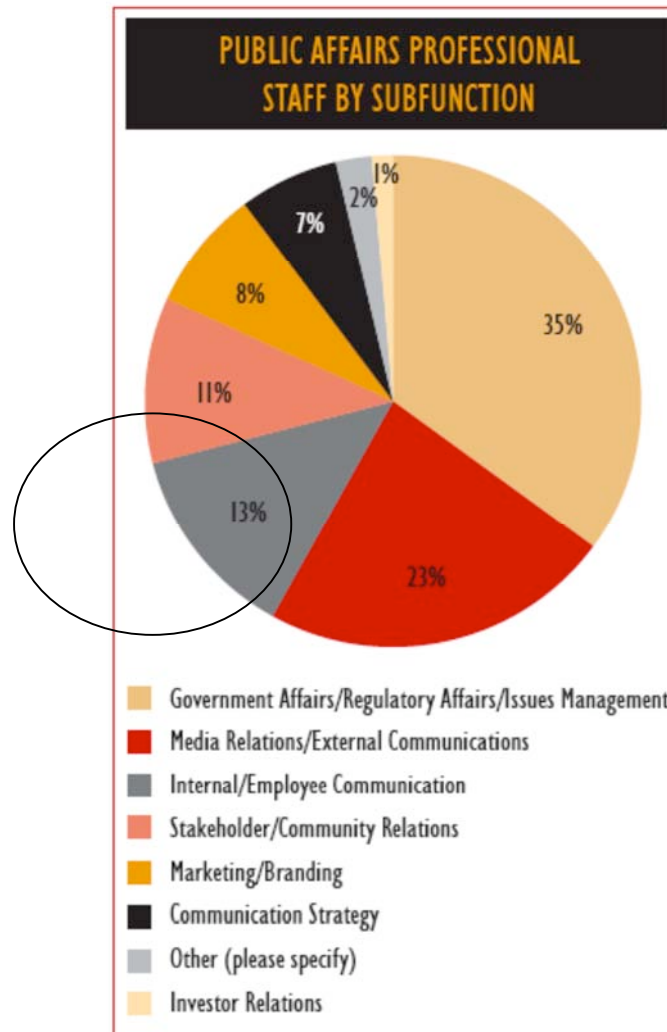
Source: Allen Consulting Group, joint collaborative study *Public Affairs and Cultural Change*, 2003

Good Employee Communications can add to the financial bottom-line

- The complexity of change and its impact on corporate reputation has focused attention on organisational “intangibles” such as culture, values and employee engagement. Good employee communications can underpin this
- **Outcomes** (value created) can include:
 - employer of choice (employer brand)
 - higher staff retention
 - higher employee engagement
 - lower employee recruitment costs
 - better productivity
 - more employee community volunteerism
 - successful corporate responsibility.

Staff dedicated to employee communications

- Proportion of full-time employees working in public affairs sub-functions



Source: State of Asia Public Affairs, 2009

Best practice employee communications

- **Proactivity.** Development of a commonly agreed internal communications strategy and plan, able to guide proactive and reactive activities and issues.
- **Strategy** is aligned to where the business is going and what the business needs - including its values.
- Communications speak and write to employees in the **language people speak and understand.**
- Internal and external **messages are aligned.**

Best practice employee communications

Employees are primary in stakeholder communications and engagement - filling the water-cooler vacuum



"This misinformation is very usable."

Best practice employee communications

- During a crisis or uncertainty, employees are updated regularly - even if the update is that there is no more new information
- Important information is delivered face-to-face, by an employee's immediate manager. Especially bad news
- CEOs take the lead in communicating to employees

Channels

- Intranet - good for office-based employees. Challenge for mass manufacturing, but okay for back office
- Face-to-face comms most effective (especially from immediate manager)
- CEO - when credible and appropriate
- Newsletters (losing effectiveness)
- Email (who has a computer?)
- Social media (do not intrude on my space)
- Cookie cutter does not work. What does the culture demand?

Best practice hygiene checks in Asia - dancing together?

- Is government and regulatory affairs aligned with internal communications?
- Is media relations aligned to internal communications? Where do your employees get their news first? Framed by whom?
- Are you listening to your workforce? How? Is this effective?
- What is your corporate reputation with your employees - do you know?
- Same messages/different emphasis. What are your tactics?
- Employees as advocates - what is your plan?