



THE MESSAGE HAS TWO FACES

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Internal and external communications differ
in subtle but important ways

Is there a difference between internal and external communications, or do we make an artificial distinction that is simply misleading?

Ask those responsible for internal communications at large companies such as Daimler and SAP and you find unanimous agreement that the story being told always needs to be the same, no matter who the audience. But there are subtle distinctions: the internal storyline tends to have a deeper level of detail, assumes a greater level of knowledge, and the message is often delivered in a more intimate format.

In internal communications, the tone and style tend to be at a more emotional level, as they must address

an audience that is familiar with the circumstances of a message and is often affected by it. An efficiency drive is a case in point, where external shareholders, for example, will be interested only in the broader goals, but employees need to be given specific information about who is doing what. They are, after all, the ones who must implement it.

“All these issues need to be explained in great detail to employees and face to face communications are getting more and more important,” says Thomas Fröhlich, Head of Global Media & Marketing at Daimler, who has worked in both internal and external communications roles. →

Internal messages usually have specific goals, whereas external ones are often less tangible. “The intention is what makes the difference,” Jürgen Zimmermann, Vice-President, Employee Communications, at business software developer SAP, argues. “Externally you want to influence public perception. Inside the company you must motivate employees to act.” Business leaders must motivate, inspire, and guide people who they want to follow a particular path. “This is especially true in times of change,” says Zimmermann.

Face time

The method of delivery is also important. “The spoken word still counts much more, has more impact and carries more weight, than any e-mail or internal memo we distribute,” says Jochen Endle, Internal Communications Specialist at Q-Cells SE, a solar power company based in Bitterfeld-Wolfen, Germany. “Board members have learned that seeking a direct conversation with employees demonstrates appreciation of them,” says Fröhlich.

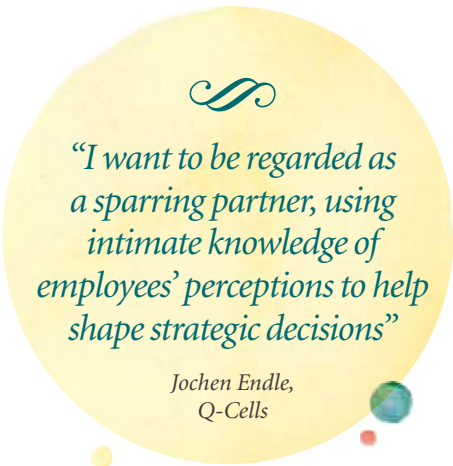
That isn’t to say that internal communications has lagged behind external communications in the increasingly diverse methods of delivery. Social media

channels, video, audio, workshops, print, and online publications are all part of the modern internal communications tool kit. All this requires people and technology that need to be managed.

But for all the current focus on virtual communications, countless employee surveys attest to the fact that the personal message, delivered face to face by the CEO, the business unit head, or the team leader is clearly the preference of the vast majority of employees. “Nothing works better than our CEO’s annual roadshow, which takes him to all our locations,” explains Michael Röhl, Assistant Head of Corporate Communications for Vodafone Germany. Soliciting opinions and questions from employees before the CEO arrives inspires lively debate and allows the communications department to gauge the mood of the employee base and the perception of leadership and strategy. “Town hall” meetings

and similar formats also facilitate debate about subjects such as product quality that might otherwise be held behind closed doors.

For good or for ill, anything that is put into writing these days runs the risk of appearing in the media. What is being said at an internal employee meeting today can



READY FOR THEIR CLOSE UP

A group of German CEOs were honest enough to admit in a study that communications is a daunting, extremely time-consuming, and complex part of their job. To make matters worse, they recognize that prior work experience did little to prepare them for the limelight.

“The difference between being a board member and the CEO is that the CEO is measured by every gesture and every word,” according to a

CEO quoted in a recent study conducted by global executive search firm Egon Zehnder International and the University of St. Gallen. Their paper is based on detailed interviews with about a dozen CEOs of large public and private German companies. It found that the CEOs consider communications to be an extremely complex task, in part because all of their companies’ stakeholders expect them to have in-depth knowledge of a wide range of issues.

CEOs also noted that the amount of time they spend on communications has steadily increased,

partly because public interest now focuses on them personally as well as on their companies. Furthermore, they found that messages covering all topics require constant reiteration.

The expectation of full transparency is a difficult and stressful conundrum for CEOs. “I am for complete transparency, both inside and outside of the company. However, only at the time when I can really provide an answer,” notes one CEO. Nonetheless, the demand for information from large public and private companies – and from their leaders – is constant and the dividing lines



also be tweeted to the outside world in real time. With this in mind, some communications departments make it part of their playbook: “If you want to place a message in the media, tell your employees. If you want to let your employees know something, tell the media,” said one head of corporate communications somewhat cynically.

The tactic has its risks. How the media interprets the content is beyond a company’s control, so it pays to keep that in mind when drafting “internal” memos. Some businesses simply make their employee publications available to the press and the general public. All too often, departmental managers would also like to delegate their internal communication responsibilities to the communications department. But this is a mistake. Communications departments can facilitate the flow of information from managers to staff, but managers still need to get in front of staff regularly in order to inform, convince, and motivate. Their very presence brings the authority and assurance that is required in certain situations, especially times of tumult.

Jack of all trades

Professionals working in internal communications have seen their roles expand considerably. Duties now run from information broker to editor, consultant, coach, technologist, TV producer, financial expert, therapist, and strategic adviser. An open and honest relationship with the CEO, in which the communications staff can speak their minds, is crucial. “I want to be regarded as a sparring partner, using intimate knowledge of

employees’ perceptions to help shape strategic decisions,” says Q-Cells’ Endle.

Product communication is a clear illustration of the much more complex level of dialogue required internally. Information sent to the press about a product launch is often cursory. Employees, on the other hand, need to be the first to know, and the information must cover technical specifications, marketing strategy, and a whole range of other detailed categories. “We aim to turn our employees into brand ambassadors and that requires a lot of effort,” Daimler’s Fröhlich says. Daimler wants to leverage employees’ enthusiasm for its products and is now taking its new models around to its manufacturing sites and offering employees test drives.

Internal communications specialists see their role becoming more prominent and diverse, while corporate governance and compliance issues are also making communications more intricate. “These are not just legal matters, but issues debated by society which we need to know, be informed about, understand and be able to advise management on,” Daimler’s Fröhlich says. The rise of social media is also challenging businesses to rethink their internal communications policies. “If you have employees publishing blogs and community commentaries, that dialogue can’t be governed by rigid ‘one voice’ policies. We communicators have to learn to loosen up a bit.” ☺

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between internal and external communications are becoming harder to discern. While CEOs may want to limit certain information to a tight circle of senior executives, they are aware that this is nearly impossible. “Everything is in the public domain,” was a typical survey response. As for a definition of internal communication, one CEO said that it is a “timely distribution of information intended for the public within the company, along with some management commentary.”

CEOs are expected to leave the ivory tower and be “present” and “tangible” throughout the

company. “Employees must be able to see and touch you,” another CEO is quoted as saying. This is particularly the case when there is significant change taking place, such as a restructuring. Communication is key to implementing the changes, placing the CEO in the center of the change process.

The CEOs interviewed for the study expect their chief communications officer to be their “alter ego” and to build bridges between the CEO and the public, both within and outside of the company. CEOs expect their communications

staff to understand the mood and concerns of employees as much as they need to always gauge the media’s expectations. The study concludes that its findings should give us reason to re-evaluate the skills that a CEO needs to bring to the job today: “Communications skills required.”

Communication from the CEO’s perspective – an underestimated challenge? A study by Philipp Fleischmann and Matthias Fritton, consultants with Egon Zehnder International, and Dr Markus Will, Senior Lecturer at the University of St. Gallen, Switzerland.