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Tips From the Pros on Balancing Internal and External Communications



INTRODUCTION

Ten years ago, most organizations prioritized their external communications, leaving internal communications as an afterthought. External communications might have been handled by marketing, with internal handled by human resources. Typically, smaller organizations didn't formalize their approach, preferring to lean on leadership to convey top down messaging with a small team in charge of all communications activities.

Much has changed in the last decade, with social media influencing how organizations approach communications. It is no longer possible for companies to "control" the message. Recognizing that, companies are now paying equal weight to their internal communications. And it's paying dividends in higher job satisfaction, increased productivity, and improved morale.

Here we look at how internal and external communications impact an organization and get tips from industry professionals on how to balance the two.



Gallup research showed that organizations in the top 25% of employee engagement scores had better operational performance than their peers in the bottom 25%. For example, their scores were:

- **10% higher** in customer loyalty/engagement
- **21% higher** in profitability
- **20% higher** in productivity — sales
- **17% higher** in productivity — production records and evaluations

The Basics

Let's start with some facts about each discipline. The role of internal communications is to not only keep employees informed about the company's goals, vision, and performance, but also to provide information and guidance on the tools and resources they may need to do their jobs. Internal communications should engage employees in ways that will improve morale, loyalty, and job satisfaction and create a positive work environment. According to Salesforce, businesses that communicate effectively are 50% more likely to have low employee turnover rates.

External communications on the other hand involve the sharing of information with customers, stakeholders, vendors, suppliers, partners, and investors.

Which Comes First?

For decades, the primary emphasis was on external communications. All companies understood the need to reach customers and stakeholders. That shifted with social media and the trend toward instant communications. Leaders began to recognize that employees had the ability to amplify and share information—be it positive or negative news.

"It speaks to the world we live in. All the lines are blurring," explained Sharyn Nerenberg, senior director at Hughes Network Systems. "What's internal becomes external, and vice versa. You need to know that everything you produce can be shared outside. You have to view it from that lens and ask yourself, 'If someone outside the organization reads this memo, how will it come across?'" Additionally, organizations should recognize that all external communications will be viewed by employees, even if that's not their intended purpose.

Experts may disagree on whether internal or external communications should come first, or on which takes priority, but all agree that in bad times, communicating effectively to employees is paramount.

"When times are bad, internal communications become crucial," said Wendy Lewis, principal of Strategic Voice, a public relations and marketing communications consulting firm. "The biggest challenge is how to manage non-public information that employees need to know about, such as layoffs or market challenges. Everything that is made public needs to be communicated to employees first. They should not get company news by reading trade journals. Employees need to feel like they are insiders."

Ms. Nerenberg agreed. Issues related to "transparency and honesty are where companies get into trouble. A disgruntled employee may decide to take information outside. If it involves the sharing of true trade secrets, there should be policies in place to guard against that. But if it involves a program or business decision, all of that should be shared with the expectation that the information can get out to a wider audience."



Common Approaches and Challenges

Many different approaches exist when it comes to spearheading internal versus external communications. Often, structure is dependent upon the size of an organization.

"Many large companies have separate departments or teams. Smaller businesses will typically have a single person who straddles both internal and external communications. That's a great opportunity for a person to learn a lot, but it gets challenging when the company grows, the job gets too big and they're pulled in many different directions," said Mandy Welborn, corporate communications consultant. "It's only when a small company can justify having one dedicated person for each role that the structure changes, adding value, and focus."

In other cases, the role of internal communications is tucked within the HR function. Unfortunately, it may be assigned to an HR professional, who may not possess specific communications expertise. Because so much depends upon getting the messaging right, this may cause communications to be unclear and unsympathetic or to contain conflicting information—all of which can cause confusion amongst employees.

Another challenge, Ms. Welborn explained is that "If left unchecked, internal communications can get away from the brand. For example, people love to create logos, especially for special internal programs or groups. Their intentions are good, but if you have a cartoon bear logo to promote the ice cream social, it has the possibility to dilute the brand. You have to find a way to ensure all communications, internal and external, align with the image and voice of the bigger brand."



According to the research done by the Society for Human Resource Management (SHRM), many companies are losing money due to poor communication.

One survey of 400 companies with 100,000 employees cited an average loss per company of $62.4 million per year due to the poor communication among employees. In addition, miscommunication cost smaller companies of 100 employees an average of $420,000 per year!

Bridging the Two Disciplines

The ideal model in Ms. Nerenberg's opinion is to build communications as a single function that works across influential business lines like HR, IT, and Operations. In this structure, the communications team serves clients within the organization to support their individual initiatives, products or programs. A cross-functional team enables collaboration and the sharing of unique perspectives—such as technology capabilities or onboarding practices—so that communications strategies and messaging can be rolled out appropriately.

For organizations that may not be able to create the model from scratch, there are ways to build bridges between the two disciplines. That may be as simple as having the corporate communications team proactively interface with the people in HR or elsewhere who handle internal communications. Or, perhaps it means having representatives from each discipline on an integrated team that meets regularly. It's also wise to develop relationships with the legal team, Ms. Nerenberg advised, so they can understand the company's communications objectives and the intent of messaging.

Through collaboration, messaging can be aligned.

"When I work closely with HR," said Ms. Nerenberg, "it makes all of our external programs better. Building bridges between the two unleashes the power of employees to support external communications. We see that everywhere, with companies recognizing that they need to communicate well to employees and engage them. Marketing and communications professionals are paying attention to that." Employees who know about their company's new products or services, especially Millennials and Digital Natives, often serve as ideal brand ambassadors.

"The corporate communications team can also seed the message to a broader team of communicators, who can then pass down messaging to their business unit and teams," Ms. Welborn said.

Sometimes, a downturn or crisis may force a company to reexamine the way they approach communications.

"It is difficult to get anyone to embrace change without the recognition of dysfunction. Mergers and acquisitions or planned reorganizations provide a natural opportunity to create more efficient processes," said Ms. Lewis.

4 Key Considerations

When aligning internal and external communications, Ms. Lewis recommends considering these four factors:

- **Perspective:** Be sensitive to how the message will impact each audience.
- **Honesty:** It is important that messages ring true and can be backed by relatable facts.
- **Relevance:** Think about whether information will be of interest to the audience and why they might care.
- **Medium:** Use channels that will be trusted and accessible. There will be crossover, but you are likely to reach internal audiences much differently than how you reach the external audience.

Communicating in Bad Times

Even (or especially!) in difficult times the experts said, there is an opportunity to represent the company and the brand. It is a big mistake for executives to stay quiet.

"For executives doing communications around hard topics, they have to think about what they are going to say and what the consequences might be. If you say, 'We're going to weather this storm,' and then you are forced to do layoffs two weeks later, that can be very damaging," cautioned Ms. Nerenberg. "There's always a way to say something, even the worst news. It just requires finding the right way to communicate it."

Ms. Lewis agreed, "Focus on developing clear and relevant messaging and a simple narrative that is easy to repeat. How the message is distributed both internally and externally is secondary to the essential quality of the communications and how it serves the company's strategic objectives."

As Ms. Nerenberg noted, "There's an old adage: If you don't talk about your business, then somebody else will." Now, considering the COVID-19 crisis, every organization has ample opportunity to practice talking clearly and honestly about their business.



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