



Professional Development in Internal Communication 2010

Key trends, benchmarks and industry commentary



VMA
GROUP



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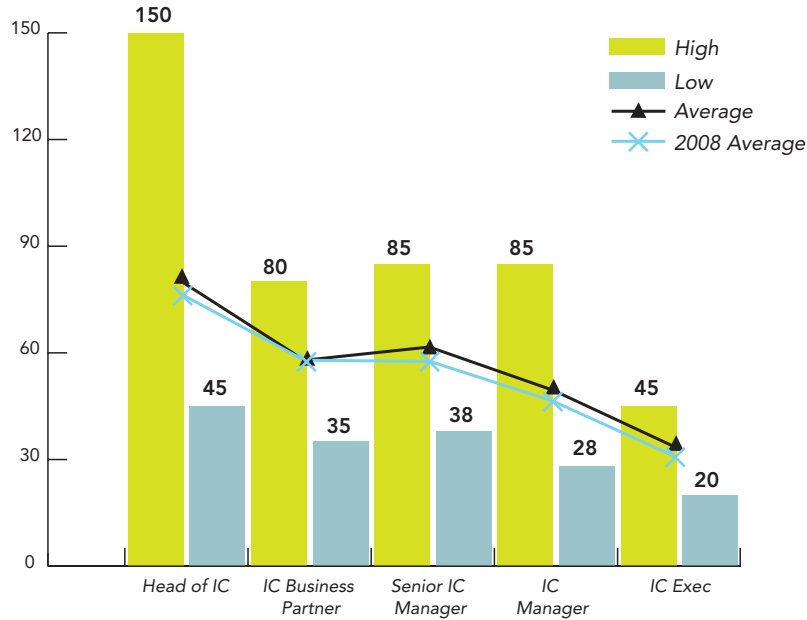


About this Survey

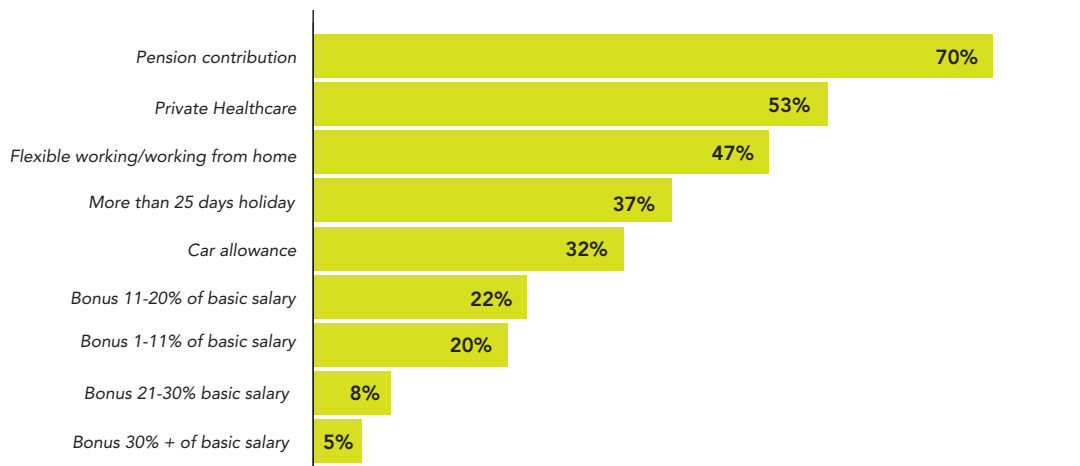
As the UK's leading recruiter for the internal communication profession, VMA Group is firmly committed to professional development and community building within the discipline. In 2008, we conducted the first survey of its kind to gather independent information on salary benchmarks, skills requirements and key career development trends within internal communication. Now two years on, we have repeated the survey, polling over 1600 Directors and Managers of Internal Communication and Directors of Corporate Communications from our database of clients and candidates. We received over 250 comprehensive responses to our survey, enabling us to assess how the internal communication profession has fared during a tough economic climate and tracking emergent trends to help galvanise professional development within the IC community.

VMA Enhance

This survey was conducted in conjunction with VMA Enhance, the professional development arm of VMA Group. VMA Enhance sits alongside VMA Group's core recruitment offering and aims to provide value-added career development services for corporate communication professionals. Provided by a hand picked team of VMA Enhance Associates, core services include personal development courses, team structure consultancy, executive coaching and best-practice sharing events for the corporate communications community as a whole.



As expected, salaries have remained largely static compared to 2008, probably due to recessionary factors. There is a marked disparity between the lowest and highest salaries across all IC positions, however this difference is most obvious in the Head of Internal Communications role. What is encouraging for the IC profession is that however small, there has been a slight uplift in salaries across the board, even during these stringent times, particularly noticeable at the Internal Comms Manager level, whose average basic salary is now £50,000.

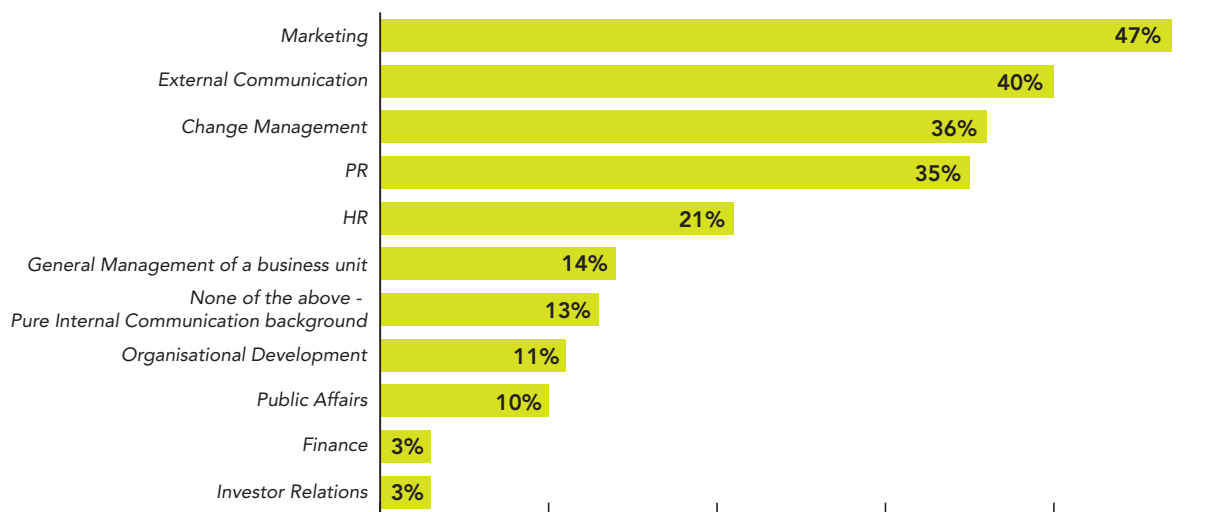


In terms of benefits received by respondents, contributory pensions are the most common, followed by private healthcare and flexible working/working from home. It is interesting to note that in spite of the recession, over half of respondents receive a bonus as part of their package, with the average bonus payment falling in the 11-20% bracket.

The Rise of Marketing Skills

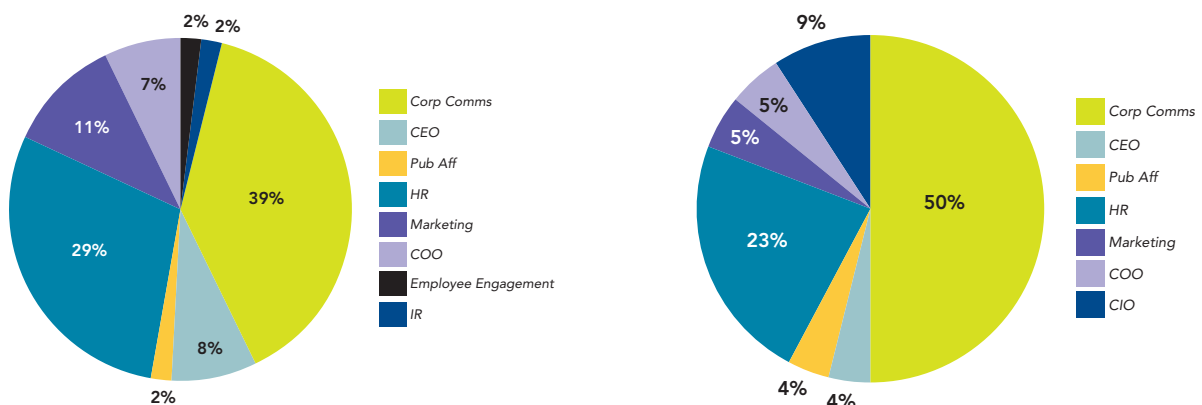
In 2008, when asked what other corporate functions IC people had operated in, the most common were PR/External Comms and HR. In 2010 we have been surprised that the leading 'background discipline' stated by those working in Internal Communication is Marketing.

Which corporate disciplines have you worked in previously?



Reporting Line

Where does IC report?



Since 2008 there have been three main changes in the reporting line for internal communication teams. These figures are based on the responses of Heads of Internal Communication when asked to whom they reported. The three main changes since 2008 are: first, a marked increase in the number of Heads of IC reporting directly to the CEO; second, there is a 10% increase in the number of Heads of IC reporting to the Head of Marketing; and third, a significant reduction in the amount of Heads of IC reporting into Corporate Communication.

It's incredibly encouraging to see increasing numbers of Internal Communication functions reporting directly into the CEO. The IC function has gained respect during these tough times and because of this, has apparently earned a clearer line of sight into the senior exec team.

A function in its own right

The results also show a marked decrease in the number of Internal Communication teams reporting through Corporate Communications. This often comes about as the Head of Internal Communication shifts from reporting to the Director of Corporate Communication, more traditionally associated with PR and external communication, and into an area of business more concerned with driving employee performance, such as HR or even marketing from an 'internal brand' perspective. Generally speaking there seems to be no 'one size fits all' approach to the positioning of IC, but rather a more fluid approach to its location based on the needs of the business at that time.

It will be interesting to see whether the trend for IC teams to report to the CEO is one that increases, further identifying internal communication as a crucial and distinct business function critical for driving corporate performance. This is certainly backed up by findings of the McLeod report (2009) that cites internal communication as a key component of employee engagement.



"It will be interesting to see how the Internal Communication function evolves over the next few years. In reporting to the CEO I can see how internal communication could take more of an 'influencing' role in wider business. It has certainly been invaluable to operate at the top table, being present at the very beginning of discussions about broad corporate strategy. As an IC professional, my input is sought from the outset on how best to engage employees with key messages and therefore get the best out of our people."

Sonal Thakrar, Head of Executive & Internal Communications, Cisco UK & Ireland



"Internal Communication is playing an increasingly important role in providing insight on how the company is responding to change. In reporting directly to the CEO, I can provide a neutral perspective. It's crucial, however, that we come to the table with solutions, anticipating employee communication issues before they arise, staying one step ahead in order to maintain that authenticity with the audience."

Eleanor Tweddell, Head of Internal Communications, Virgin Atlantic Airways Ltd

"Internal Communication has a lot in common with the principles of marketing. It's about segmenting audiences, finding 'selling points' that resonate and address the issues and questions, and delivering communication in a way that grabs people's interest and attention amongst everything else they see and hear. You're often asking employees to 'buy-in' to a corporate strategy after all."

Katie Deeble, Manager, Downstream-One Integrated Stakeholder Communications, Shell International Petroleum Company Limited

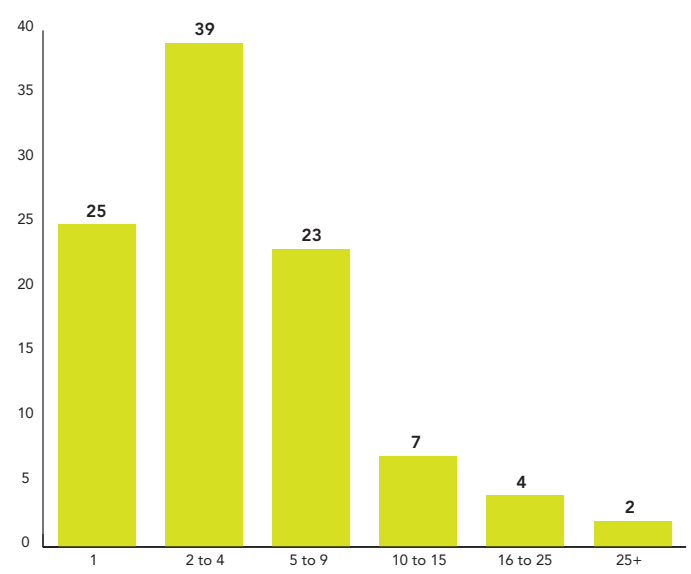


Value to Employee Audience

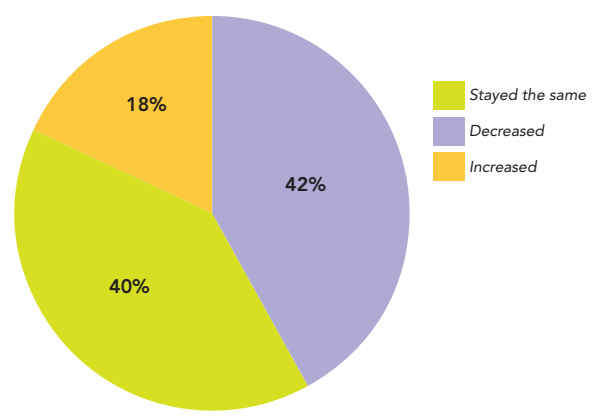
"The amount of change that went on during the recession has forced CEOs to motivate and engage key employee groups in a way that they've never had to before. This has provided the platform for a huge 'powerplay' for internal communication. We've had to be more creative due to tightened budgets. Senior exec teams have turned to IC during this tough economic climate and in return Internal Comms has had the opportunity to really prove itself."

Helen Farrar, Head of Internal Communications at Virgin Media

Team Size



The majority of Internal Communication teams are under 10 people (87%), with 64% of these being teams of under 5 people.



Encouragingly, 58% of Internal Communications teams have either stayed the same or increased in size since the recession, which bodes well for the health of the discipline now and moving forward.

Here is a ranked list of the skills Internal Communication professionals felt they had to rely on more heavily during the recession:

1. Influencing skills
2. Shoestring delivery
3. Commercial acumen
4. Writing
5. Proving worth
6. Stakeholder management
7. Budget management
8. Team management
9. Presentation skills
10. Pushing back

Top 5 skills deficits as perceived by candidates/team members:

Coaching senior leadership
Social media development
Change management
Influencing
Strategy setting

Top 5 skills deficits as perceived by hiring clients/team managers:

Strategy setting
Coaching senior leaders
Influencing
Writing
IC theory



“What’s interesting is that hiring managers are still looking for core writing skills amongst candidates at all levels. It’s encouraging that influencing skills are now being recognised as crucial to the effectiveness of Internal Communication professionals, this goes hand-in-hand with the ability to coach senior leaders.”

Charlotte Butler, VMA Enhance

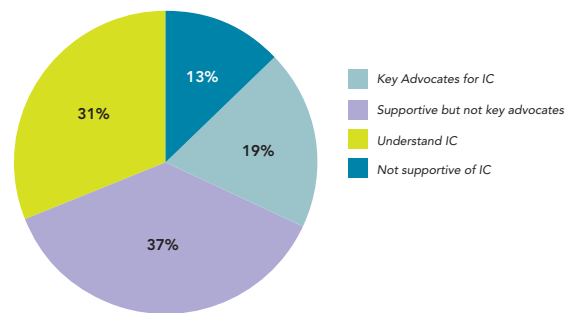


"I believe strong internal communication is key to any leading organisation and the number one skill leaders need to have to be successful today and in the future. The associated benefits range from strong employee engagement right through to the messages stakeholders receive in the marketplace. I have personally seen the impact and ROI of having internal communication reporting to the board. The diversity of functions such as communications being present in strategic conversations can significantly drive innovation, provide executive communication counsel and influence positive business change."

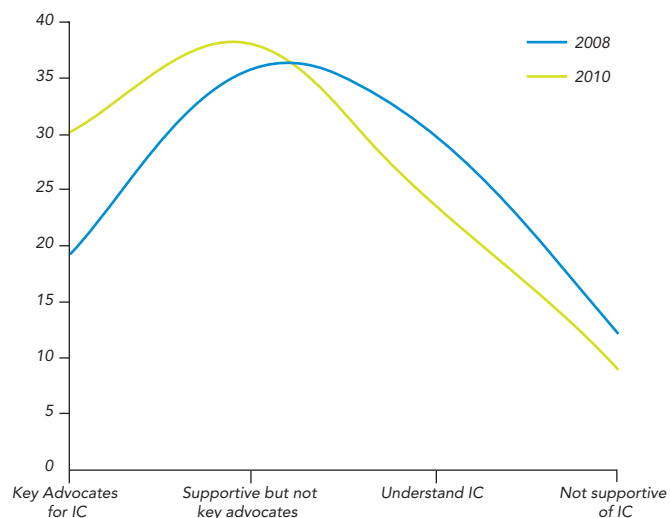
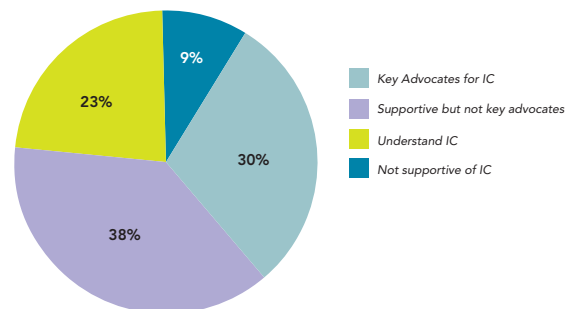
Phil Smith, CEO, Cisco UK & Ireland

One of the most interesting findings was around the level of 'senior level advocacy' for internal communication, when we asked the question – "How 'on board' with internal communications is your senior exec team?" In 2008 only 19% of respondents felt that their senior leadership were key advocates, compared with 30% of respondents in 2010. This is a significant increase, coupled with the decrease in those senior leaders who 'weren't supportive of Internal Comms' (13% in 2008 to 9% in 2010).

2008



2010



Over the past two years the advocacy curve is shifting in favour of Internal Communication, with overall movement towards CEO understanding, support and advocacy of the function.

The importance of employee engagement and the link between an engaged workforce and the bottom line has long been established. Research suggests that leaders are becoming more dependent on their internal communication function to inform employees of their company's direction or what it is that they are trying to achieve. In order for practitioners to clarify and articulate the business strategy and to present it in a compelling way to employees, they must themselves understand the business, its challenges and of course its desired destination.



“It’s crucial to speak the language of the business if you want to have any kind of influence at board level. Without a sound commercial understanding, Internal Communications practitioners are in danger of being sidelined into tactical, reactive positions without real authority. To build effective relationships with the CEO, IC people must be able to demonstrate their wider understanding of leadership, broad management and the bottom line.”

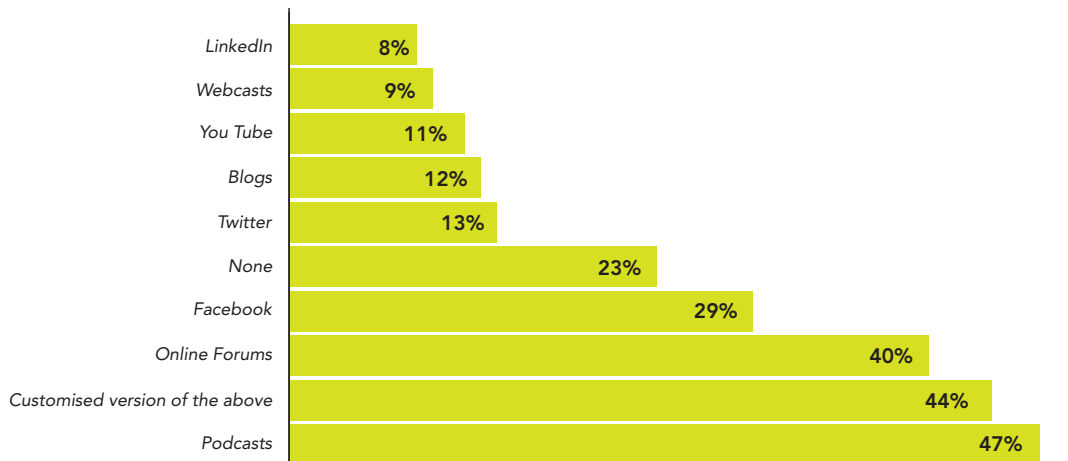
Simone Niven, Global Practice Leader Corporate Communications, Rio Tinto



“Internal Communications as a profession has got to stop navel-gazing. For example, it’s not important where the function reports to; HR, Corporate Comms, Marketing – who cares! What’s important is that the discipline has credibility throughout the organisation. We need to be business people first, it’s our license to trade. The nitty gritty ‘communication tools’ and techniques simply back that up.”

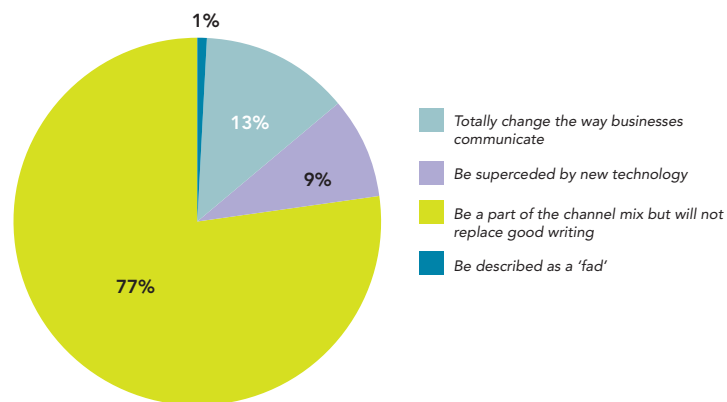
Nick Green, Director - Internal Communications, BSKyB

Who's using what? Percentage of respondents using various social media:

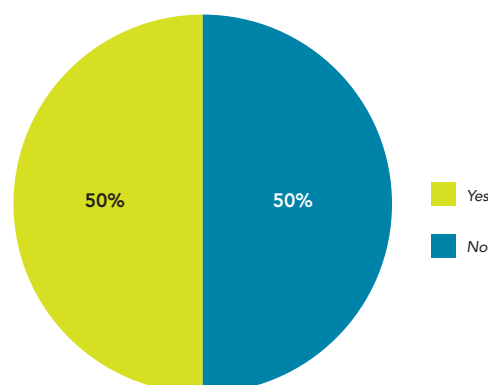


In terms of social media for internal communications, it appears that podcasts and customized media are the primary tools being used by in-house professionals. Twitter and You Tube are used only by a small percentage of respondents. Interestingly only 12% of respondents reported using blogs, despite the huge interest in this media in 2008.

In 10 years social media will:



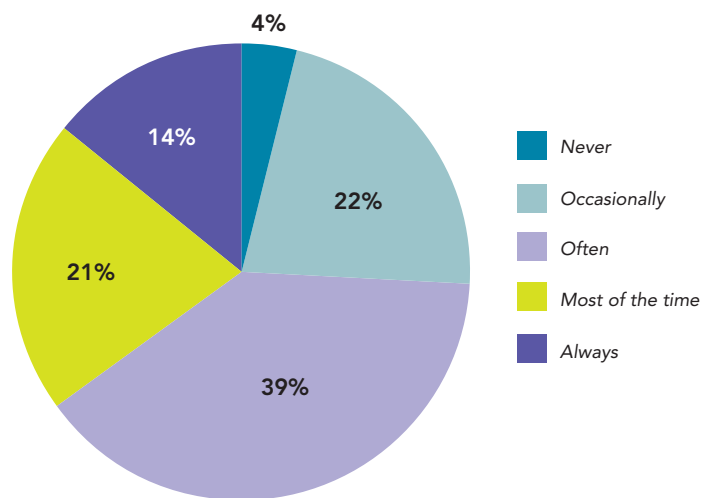
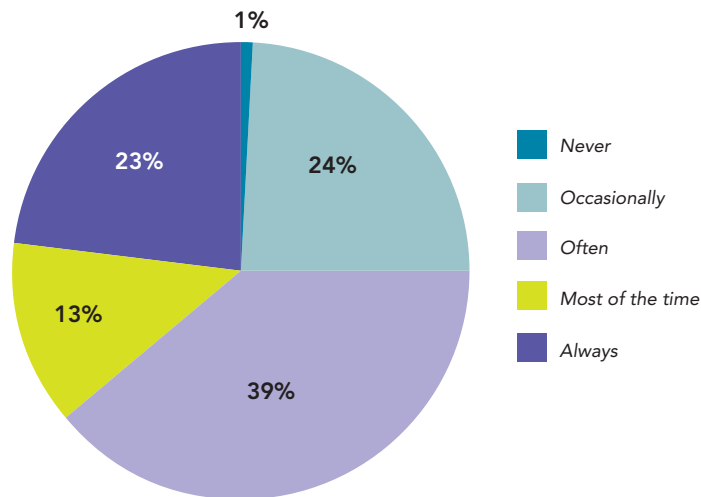
Has the use of social media increased the reputation of IC?



For some time there has been significant discussion regarding whether 'Internal Communication' is the best term to describe the actual outputs of the function. Some argue that the term doesn't adequately reflect the level of influencing, planning and corporate insight that goes hand in hand with effectively communicating with employees.

It is interesting to note that over the past couple of years, the level of advocacy for internal communication from senior leaders has increased significantly and yet, when you compare this to 'external' perceptions of the function, there seems to be a gaping disparity.

A question we often like to ask internal communication professionals is 'how often do you come across people in your everyday life who don't know what internal communication is?' In responses for 2008 and the more recent 2010 findings, it's disappointing to note that the 'public' reputation for the role of IC has hardly improved in two years, despite leaps in senior level advocacy.





“Internal communications is a misnomer. More than ever, we are talking about engaging staff to deliver more and better - and after the credit crunch, in some cases with less. To do this, we need to have a dialogue, to listen and to work together. Internal communications sounds like talking ‘at’ people. It doesn’t sum up the challenge involved.”

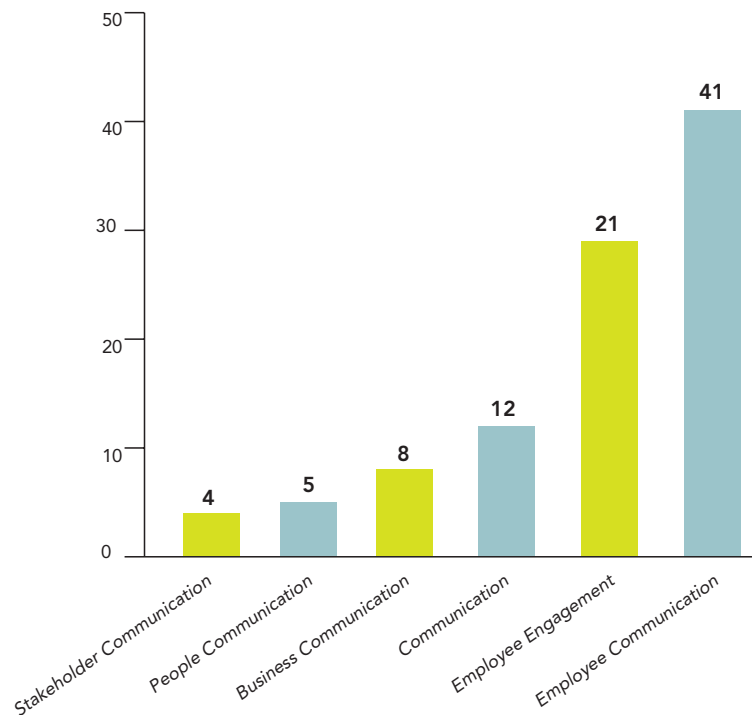
*Paul Mylrea, Head of Press and Media Relations, BBC
(Recently Director of Communications at the Department for International Development)*

The survey asked “Do you think that Internal Communication as a job title truly reflects what you do in your everyday role?”

52% YES 48% NO

The 48% who answered ‘no’ to this question, were then asked “What would you re-name Internal Communication?”

DEVELOPMENT



Industry Viewpoints



"You work in Internal Communications? [then came a pause for slightly longer than was comfortable]. Oh, yes. The company newsletter – one of our PAs does that."

So began a long conversation with a friend's father on holiday last year. And, although I quite enjoy evangelising about the value that IC (done well) adds to a business, conversations like that also irritate me because I think we've made such a lot of progress in the last 10 years. I began my career in Management Consulting, in the days when IC was done by someone who couldn't quite hack it in PR. But we've seen some huge steps forward since then - not only in the capability of our function, but also in the perception our stakeholders have of that capability.

To an extent, that improvement will continue as the better IC people go forth and multiply. But sustaining it and taking it to the next level will require more. The future of Internal Communications rests on the capability, consistency, rigour and insight of those who practice it. But there's still no credible benchmark or standard of training for IC professionals as there is with the CIPD for HR, or the CIM for marketing.

The lack of an industry standard means there is still a significant number of relatively senior IC professionals without very basic skills – something that's highlighted in VMA's report. Planning and measurement are still poor in most IC teams, and I've yet to see an organisation that understands its people as well as it does its consumers.

We've got a lot to learn from other, more established, communications disciplines like marketing, advertising and PR – disciplines that measure, plan and understand their audiences with astonishing accuracy. That's not to say we should become an internal marketing function – quite the opposite. But we need to start cross-fertilising more, hiring strong marketing and advertising professionals into our teams, learning from their mistakes, and applying their principles to what we do.

Gabe Winn, Head of Internal Communications, Centrica Energy

"Over the past couple of years Internal Comms has really proved its worth by advising senior leaders on ways to reach out and engage with their people during turbulent times. The upshot is that the contribution and reputation of internal communication as a trusted advisor and lynchpin within the business is now a reality. Looking to the future, we need to build on this by continuing to drive performance through consistently explaining the business strategy in a meaningful and compelling way."

Jenny Clark, Head of Internal Communications, PWC

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VMA Group comprises three professional resourcing consultancies: VMA Group, VMA Executive Search and Interim Performers.

VMA Group has offices in London, Manchester and Brussels and operates internationally.

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