



Briefing on internal communications in professional firms

An email survey was conducted in March 2004 by the PM Forum Global Thought Leadership Panel, the Managing Partners' Forum and the Professional Personnel Forum of 450 MPs, HR and marketing directors based in 250 major professional firms throughout the world, including Magic Circle law and AmLaw firms; top 20 accountants; leading surveyors and global management consultancy firms.

80 management team members in 73 firms participated: 28% MP/CEO; 44% marketing director; 17% HR director and 11% principal of their own firm. 80% were UK-based. 44% were from law firms; 19% from accountancy; 18% from management consultancy; 10% from property and 4% from other sectors.

The five most popular tools of internal communication according to the respondents are face-to-face meetings (96%); open door policy (95%); email alerts (92%); social events (89%); and newsletters (81%).

89% of respondents believe that corporate reputation is always influenced by effective dialogue with employees; 81% that creating greater understanding of the organisation's goals amongst staff always influences profitability, and 61% that engaging communication always makes employees less likely to leave. Probing deeper, up to 20% more MPs believe these statements to be true than marketing and HR directors.

Given the uniformity of beliefs in favour of internal communications, one might expect that all firms have put in place a formal internal communications strategy. However, this is only the case at 62% of firms, with 30% having no such strategy – although 48% of these firms are intending to introduce one in the future. The size of the organisation is relevant here. 80% of those firms with more than 2,000 employees have a strategy compared with only 40% for those with less than 100 employees.

83% of firms have appointed a specific individual to manage internal communications, of which around two thirds are partner/director and the balance are senior support staff. For those firms that have not made an appointment, there is little interest to do so, nor is there any intention to upgrade the position to a partner role for those firms where a senior support staff person is appointed. The size of a firm matters. Two thirds of small firms (less than 500 employees) and large firms (more than 2,000) have appointed a partner compared with only 25% of medium sized firms.

The investment in internal communications is typically a very small proportion of fees, with 60% of firms seeing it as less than one quarter% of revenues and 30% between one quarter% and one half% of revenues. However 39% of respondents were unsure how much is being spent, suggesting that accounting systems may not readily group this type of expenditure.

Given the importance attached to internal communications, it might be assumed that people are being trained in how to be effective in this area. Yet

28% of partners/directors received no such training and a further 44% less than five hours annually. A similar pattern applies to other fee earners and senior support staff.

If there is no training, it might seem reasonable to exclude internal communications from partner appraisals. Yet 47% of firms always include such skills in partner appraisals with 42% for other staff, and 30% do so on an occasional basis for partners.

A crucial question for management is whether there is internal pressure for more internal communications – 66% said ‘Yes’; 21% said ‘No’ and 13% were unsure.

No survey would be complete without its memorable quotes:

- Knowledge workers will always be more likely to leave if they feel they’re not being listened to or informed about corporate goals.
- Communication can assist in building a sense of ‘belonging’ to and pride in the organisation.
- Clear and transparent communications, even with bad news, encourages trust and belief in the firm’s message and honesty in relation to its employees.
- Communications makes internal staff have an emotional investment and therefore financial investment in the performance of the firm.
- Badly informed employees jump to the wrong conclusions and talk about them outside of the firm; well informed employees can articulate the right messages and convey a positive attitude towards the firm.
- If people are in a leadership role, internal communication skills are part of the desired capability set.
- If people are not able to communicate well internally, they tend not to get the attention from their staff and peers.
- Getting our internal communications right is viewed as mission critical by the MP for achieving the firm’s goals (Barry Lewis, Chantrey Vellacott).
- Organisations often start from the assumption that communications should be one way and top down. This misses at least half the point (Richard Emanuel, Deloitte).
- People want ‘real’ communication – ie quality face-to-face, two-way discussions with their leader – and this isn’t always easy to do in the face of constant fierce market pressures and a culture where client service delivery is paramount (Jacky Riley, PwC).
- If our people do not know what we are trying to achieve then our chance of succeeding is somewhere between zero and nought per cent (David Gray, Eversheds).
- The trick is getting the right balance between over and under communication and for the recipient to feel that the communication is genuine (Stephen Cowburn, Beachcroft Wansbroughs).
- Internal communications require frequency, constancy and redundancy. You can’t depend on one anything to touch all the people you need touched (Diane Hamlin, Fenwick & West).

- One of the most important factors in the HP-Compaq merger was the well developed and executed internal communications strategy (Laszlo Mezriczky, Hewlett Packard).
- People at the bottom of a firm always think that communications are bad whilst those at the top always think that they are good. The best firms are good at managing the expectation gap (Joe Reevcy, Best Practice on Line).
- Firms frequently confuse internal communications with outbound propaganda.
- Quality of internal communications is often a barometer of the quality of an organization's external communications. Weakness in one is often accompanied by a weakness in the other (Ron Merriman).