

2ND EDITION

# Strategic Internal Communication

How to build employee engagement  
and performance

DAVID COWAN



"Cowan's emphasis on attending to the feelings and experiences of all individuals in order to achieve effective internal communication is a welcome contribution."

**Lisa M Cuklanz, Professor and Chair,  
Communication Department, Boston College, USA**

"In a complex and uncertain world nothing can be achieved without extensive, multi-directional, reiterative communication. The Dialogue Box is an effective tool to facilitate and structure such communication."

**Lex Hoogduin, Founder of GloComNet, Chairman of LCH and  
Non-Executive Director of London Stock Exchange Group**

"We are making great use of the Dialogue Box; it is both innovative and challenging. Our managers find it an excellent analytic and diagnostic tool to improve their communication capabilities."

**Hisham S Al-Johar, Director, Global Internal Communication, SABIC**

Previously restricted to cascading information and managing day-to-day conversations, internal communication is now essential to empowering employees to deliver business strategy. **Strategic Internal Communication** shows how to design and implement a strategy which will lead to engaged and motivated staff, increased productivity and, consequently, improved business performance. The book uses the author's own Dialogue Box tool, which is designed to help companies explore more thoroughly what kinds of conversations they need to have with employees about internal and cultural challenges. It helps transform organizations into open and transparent communities to ensure that entire workforces are committed to the overall business vision.

This fully updated second edition of **Strategic Internal Communication** includes new information on how to use the Dialogue Box during times of transition and organizational change. It also gives advice on how to manage difficult conversations and avoid damaging miscommunication and misinterpretation. Supported by examples and case studies from the author's own experience, this is an indispensable guide to creating a collaborative culture which will take your organization forward.

**Dr David Cowan** is an author and a visiting scholar at Boston College, USA. Over his career he has worked for SABIC, Honeywell Aerospace, SAP, Saudi Aramco and Hewlett-Packard, and has taught the Dialogue Box to over six hundred participants in the United States, Britain, China, the Netherlands, India, Saudi Arabia, Singapore and South Korea. He is former Global Head of Internal Communication at ArcelorMittal, and has also worked at the World Bank and as a finance and technology journalist. He holds degrees from the University of Oxford and the University of St Andrews.

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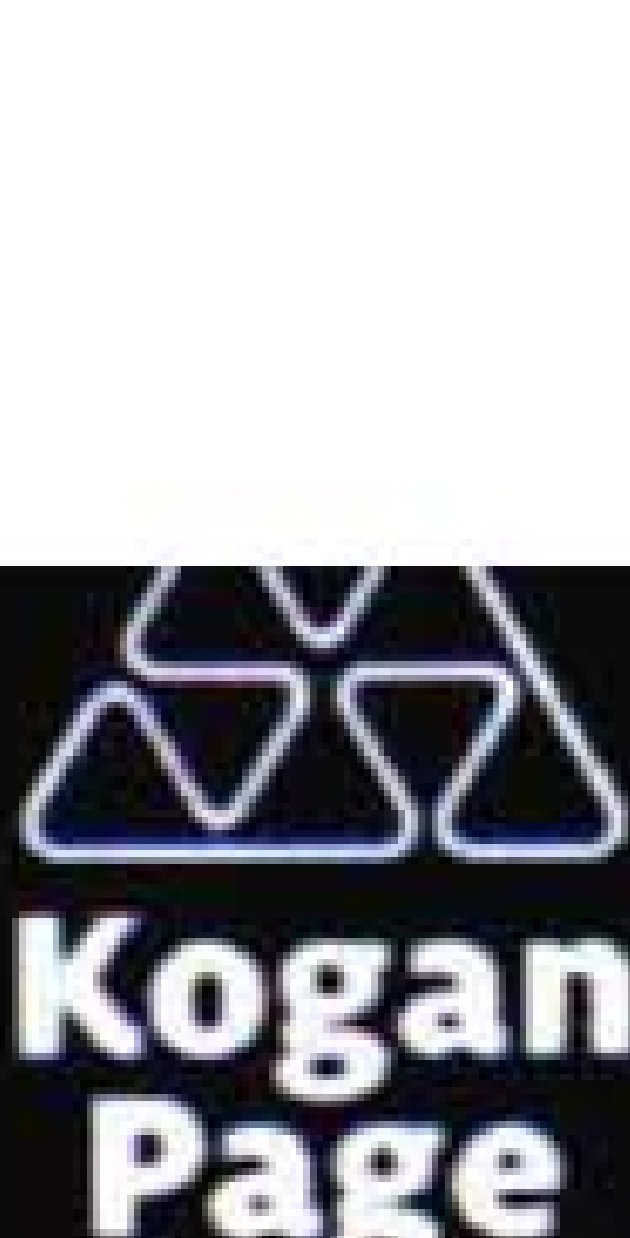


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Human resources management

2ND  
EDITION

# STRATEGIC INTERACTIVE COMMUNICATION





**Second edition**

# **Strategic Internal Communication**

How to build employee  
engagement and  
performance

David Cowan



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*I dedicate this book to my daughter Yasmin – may this  
be the first of many great projects for her.*





# PREFACE TO THE SECOND EDITION

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**T**his book, and the concept of the Dialogue Box, is the culmination of some 25 years of working in the communications field. I have worked in a variety of communications roles in Europe, North America and the Middle East, with travel all over the world. I started in journalism, writing news, features and editing a magazine. I have worked with agencies and in-house, both sides of the desk as consultants would have it. I have worked in service and manufacturing companies. The one bridge I have not crossed is from business communications into consumer communications. I have headed up corporate communications generally and internal communications specifically, and the one thing I have learned above all is that there is a significant difference in style and approach.

I started in journalism, and this is significant. My first break into journalism occurred when I literally walked in off the street and asked the editor of the local newspaper if I could get a job on the paper, to which he promptly said no. However, he said if I went to study journalism then I could work on a freelance basis for the paper, which I did for a year. Different times then! Perhaps today such things happen more rarely. What I learned as a journalist was to be objective, and always to listen to a variety of opinions in order to find the narrative that emerges from these stories. What I learned when I entered corporate communications was that while this skill is invaluable it is not really wanted. Corporate bodies tend to want affirmation from their communicators, not the enquiring mind of a sceptic; in other words, they want what people call 'yes men'.

Today's world is a little different, and while 'yes men and women' are still in evidence, this approach has to be left behind. The evaporation of barriers between the internal and external world means communicators have to engage in a much more open and transparent world. They need to engage. This is a book about employees, not industries



and categories, and means learning to approach employees as people, not as job titles or ‘capital’. To do this means to walk in the shoes of the employee, and ask the question everyone is asking: what’s in it for me? This is at the heart of this book and is fully explained, so I will not jump ahead of the narrative of the book.

My personal narrative has been one of a fascination with how people communicate, and I have been fortunate to experience this at the highest levels of organizations. What I have done in this book is to put all I have learned in one place, and in turn I hope I have provided a stimulating guide to help anyone who seeks to be a better communicator in their work, whatever the industry or organization, whatever the role and whatever the position. This is a book about how people communicate, not inanimate objects or contrived stations in life. Whether you are a CEO, head of a government unit or an academic project, or just simply starting out in your career, this book will help you.

As ever with a book, the author owes many people along the way. There are very many people I could thank over the course of some 25 years, so I will restrict myself to the most personal ones.

First, I want to thank Martina O’Sullivan, who took up this project at Kogan Page in the first place and saw the potential, but has since moved on. Thanks also go to Liz Gooster, for taking this on and keeping it going, and to the editorial staff at Kogan Page – Philippa Fizzon and Sara Marchington, as well as marketing executive Andrew Thompson. I am grateful for the help and support of Lucy Carter and Sophia Levine in bringing the second edition to fruition; it has been a wonderful opportunity to expand some of the thinking of the first edition. I would also like to thank Hisham S Al-Johar, Global Head of Internal Communications at SABIC, who has been a wonderful dialogue partner on internal communication during the writing of this book and has become a cherished friend. The most practical part of this book, the workshop element, I was able to refine through workshops with SABIC managers, which was extremely helpful to me, and for this I am thankful to Hisham and to his extremely able managers Salman Al-Hathy and Benjamin Thomas, who have been hugely helpful in making all the workshops happen. Since the first

edition was published I have conducted numerous workshops, done in small groups, in Saudi Arabia, China, Singapore, India, the Netherlands and the United States, involving some 600 participants, and the approval ratings have been around 96 per cent, which has personally astounded me. The reason is simple. The Dialogue Box is a highly participatory tool that focuses on the participants' own organization and helps them intuitively to arrive at an answer, the famous dialogue 'word'! It has been a privilege and a learning to undertake this work in such a sustained way in a dynamic global organization, and I realize now more than ever how robust and effective the Dialogue Box is in reality. I give my thanks to Boston College, chiefly Lisa Cuklanz, for providing me with an intellectual home and an opportunity to share my work with students.

Special thanks go to my wonderful research assistant, Yasmin, who also happens to be my daughter. This book is again dedicated to her as she completes her studies at the University of Durham and will herself enter professional communications as this book comes out. I also want to thank my wife, Hanny, my biggest critic and best friend in life, and my son, who is always an inspiration.

I have two hopes for this book. I have tailored the ideas to be used in a variety of organizations, as well as the classroom setting, to focus the dialogue we need to be having with employees at all levels. We live in a very noisy communications age where everyone is clamouring for attention, and where often public and private debates can be very ill tempered; so my first hope for this book is that it brings calm and focus to dialogue everywhere. My second hope comes from a few years ago, when I first presented my thinking at a conference on internal communications. One participant observed that my thinking was very democratic, and asked if this was not a problem for many organizations. It was an acute observation, and I think there is an openness in the approach developed here; I hope this book helps to forge greater democracy in the workplace.

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# ✦ Introduction ✦

## Internal communications, employee engagement and cultural integration

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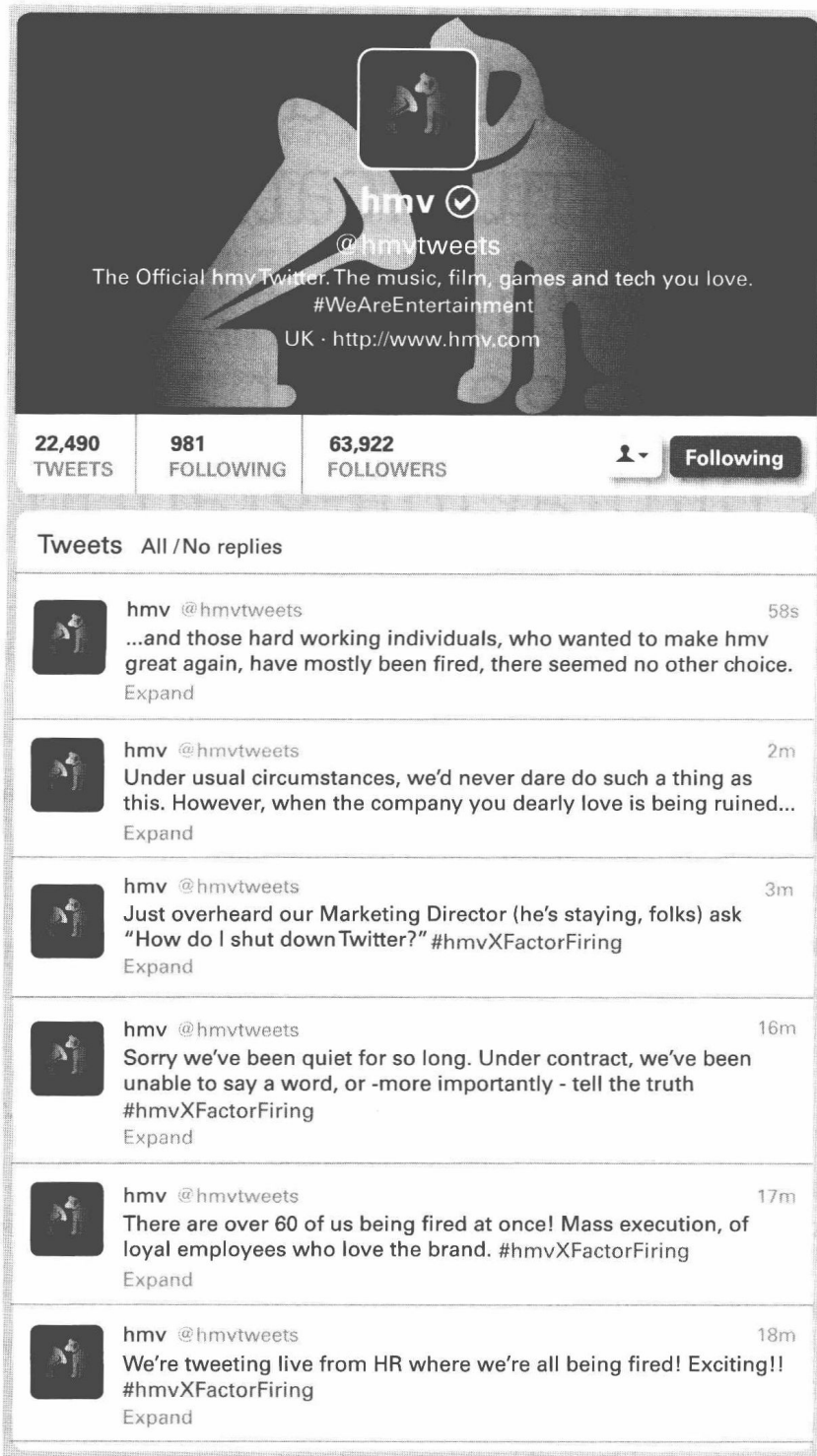
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**W**hen 190 people were fired by the British entertainment retailer HMV at the end of January 2013, upset employees found a new way to vent their displeasure: social media. The 190 firings were subject to a fierce Twitter storm with tweets being followed by over 63,000 followers. No more the discreet escort out of the building or the cameras capturing images of dismissed employees carrying out boxes of personal effects – this is a new age of transparency.

The HMV Twitter feed was a blow-by-blow account of how major disruptions in the life of a company, troubled or not, erupt in our social media age (Figure 0.1). The notion that ‘good PR’ can control the communications space is gone forever. In today’s organizational and business world employees are your communicators, and you cannot take for granted that they will toe the ‘company line’. You need to engage your employees, and you need to find innovative ways to have dialogue within your organization to ensure you are not the subject of the next Twitter feed entertaining and amusing the outside world as your inside world is in turmoil.



**FIGURE 0.1** No longer listening to his master's voice: HMV Twitter feed



### The CEO of BP deals with disaster, or does he?

'I have said all along that we will be judged by how we respond, and that remains the case. The strength of the BP balance sheet allows us to take on this responsibility. I know that many of you have questions about how this incident will impact BP, your jobs, pensions, and our future plans. We have demonstrated robust cash flow generation over the past few quarters and at the end of 1Q our gearing ratio was below our 20 to 30 per cent target range, at 19 per cent or some \$25 billion. We can therefore afford to do the right thing, and we will do just that – our financial strength will also allow us to come through the other side of this crisis, both financially secure and stronger as a result of what we have learned from this tragic incident and how we have responded... The financial scale of our response is just one illustration of the serious way in which we are stepping up to our responsibility to clean up the spill and mitigate its impacts.' (Tony Hayward, Chief Executive, BP, *Financial Times*, 19 May 2010)

As CEO, Mr Hayward focused on profits and pensions, but how much time was devoted to understanding the psychological impact on employees and any sense of shared culpability? The language is typical of a CEO letter to staff, though he did give more information and honesty than one tends to find in letters to employees. However, this was offset by his emphasis on BP as a safe environment at a time when employee perception of BP's record was at a low point, suggesting the need to encourage dialogue. It also pushed some agenda points, such as attacking the media, which also undermines the credibility of the letter.

This book, and specifically the approach it describes – the 'Dialogue Box' – will help you to move your organization into becoming a communicating community that shares open dialogue to move transparently forward and to address challenges internally and externally. The Dialogue Box can help any organization that has an internal audience to communicate to, whether it is public or private, and whether it is a business, voluntary, government or academic. This is not a book for the faint-hearted! It will raise many questions and highlight the need for many difficult conversations internally, which may be quite different from the internal conversations you have been used to or that your organization has been in the habit of accepting.

This is a brand new world and a new way of approaching internal communications is essential for survival. This is not simply a book that tells you how to do something about it; it also seeks to challenge you to question all the assumptions you make as you go about the task of internal communications. Even if you find yourself disagreeing along the way, I hope you will find the questioning strategy helps strengthen your approach to internal communications. That said, I hope you will embrace some new ways of thinking as well, and more importantly some new ways of approaching the dialogue your organization needs to engage in to become a better communicating organization. This is a book on strategic internal communications, bridging the critical functions of communications and human resources and linking to the three-way process of internal communications, employee engagement and cultural integration, which can refer to both geographic and organizational differences. This is also a book aimed at any organization seeking to communicate effectively with their internal audiences: business enterprises large and small, educational institutions, government and public services.

The approach I have created to help organizations to become better at communicating is called the 'Dialogue Box'. The Dialogue Box helps companies to explore what kind of dialogue they need to have with their employees to address internal and cultural challenges, by breaking dialogue down into zones: intelligence, emotion, interpretation, narrative and dialogue. The Dialogue Box allows managers and leaders to understand the intelligence and emotions of their company, and how these link to the ways employees interpret events and information and the narrative that emerges within the organization as a result. The result is the end zone of effective dialogue. Hopefully you will find much of what is discussed in this book to be intuitive – things you sort of know about already – because the aim here is to illumine so you can make connections you may not have drawn before.

To enter into a realistic dialogue and get internal communications right begs the question, what are the benefits? After all, leadership can exercise its right to lead, get rid of many of those who don't fit in and amply reward those who do fit in – to a fair extent this is precisely what happens in various ways in organizations everywhere. So the answer has to be, is there a choice? Communications as a cost