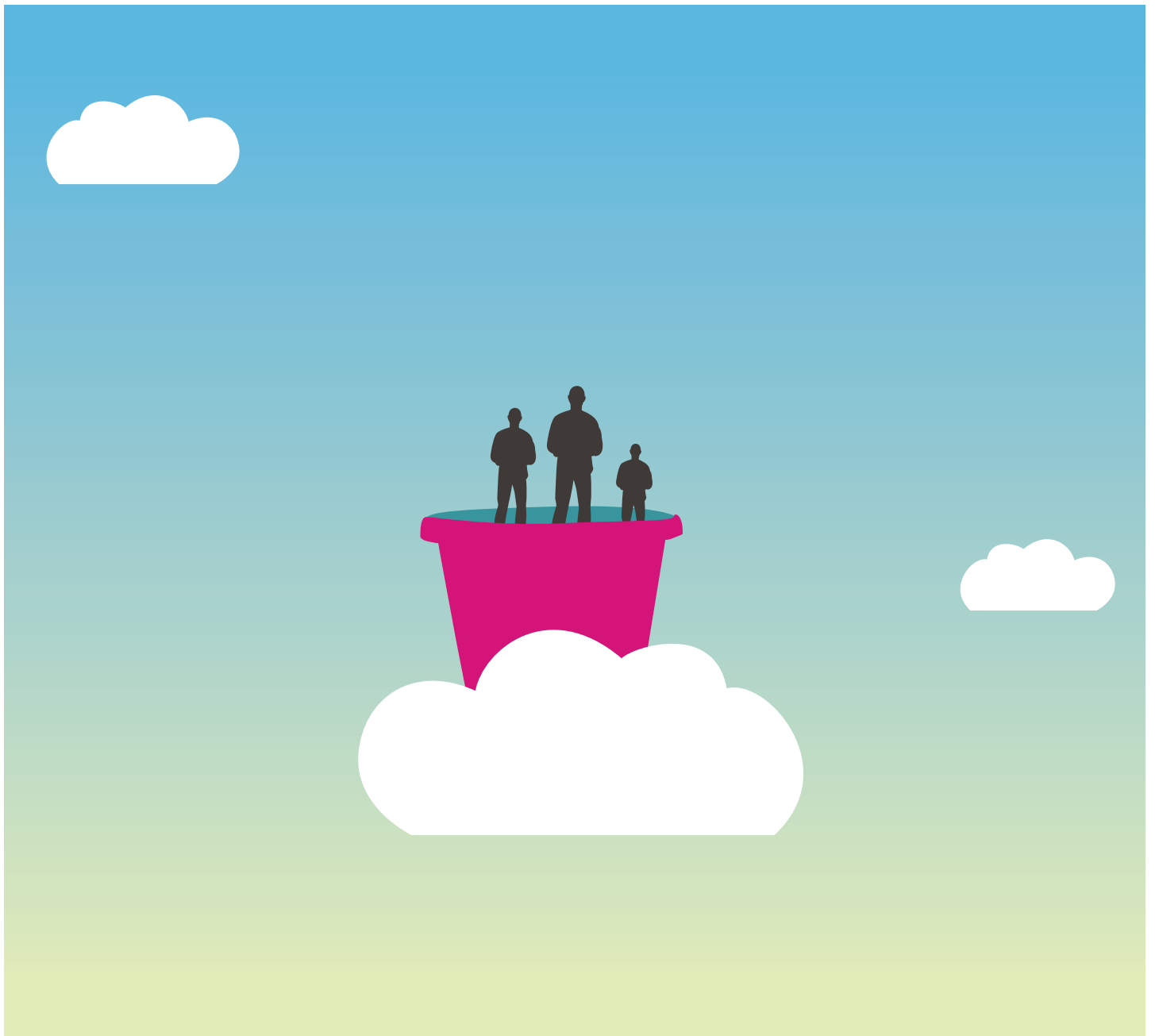




VMA
GROUP

Professional Development in Internal Communications

Key trends, benchmarks and industry commentary



Introduction

An introduction by Andrew Harvey Head of Internal Communications Practice, VMA Group

The fourth annual VMA Group Professional Development in Internal Communications benchmarking study reveals some important trends for the profession. There is some encouraging news on two fronts in particular.

Firstly, the vast majority of respondents recognise that to be an effective internal communicator, three core competencies in particular need to be effectively honed. These are the ability to influence and build effective relationships; strategic planning skills; and, above all, strong business acumen. It is the recognition of the importance of this final attribute which is most gratifying, given the substantial growth that we have seen at VMA Group in employers demanding commercial awareness.

Secondly, despite the continued pressure on internal communicators to prove their value, it is perhaps surprising that the average function has maintained its current headcount size and budget – in many cases this has actually increased.

However, this positive sentiment was tempered by a more mixed picture which emerged in terms of advocacy for internal communications amongst senior leaders. The perception amongst respondents is that advocacy has fallen back to the levels seen in our first study; a surprising result, given that many also feel that they are an integral part of the senior leadership team.

With a 20% increase this year to 600 participants, we are delighted to share with you the results of what has become the most comprehensive annual industry study of the profession. Whilst the research highlights a number of development issues for internal communicators, 71% of those who took part felt that the function would gain more organisational influence over the next five years. It is this upbeat mood which confirms that, despite ever higher expectations and continued corporate change, the profession is rising to the challenge.

Our thanks go to all those who participated.

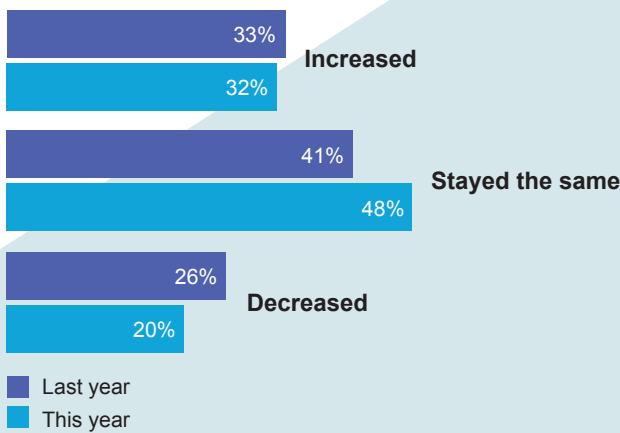
**Andrew Harvey and the Internal
Communications Practice**



Team size

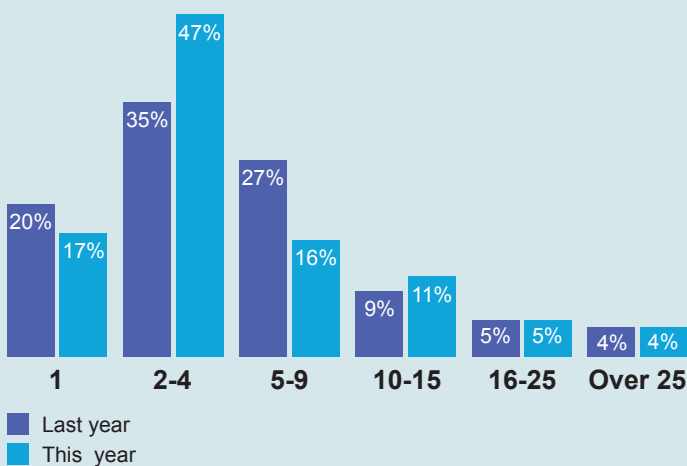
In the past year 80% of our respondents' teams have either increased or stayed the same size. While there has been a slight levelling off in team growth, at the other end of the scale, only 20% of teams have decreased in size compared to 26% in last year's survey, which is an encouraging sign.

Changes in team size



The number of 'standalone' internal communications positions has continued to drop, while teams of 2-4 remain the biggest category, with an increase of 12% on last year. However, the number of teams with 5-9 members decreased significantly.

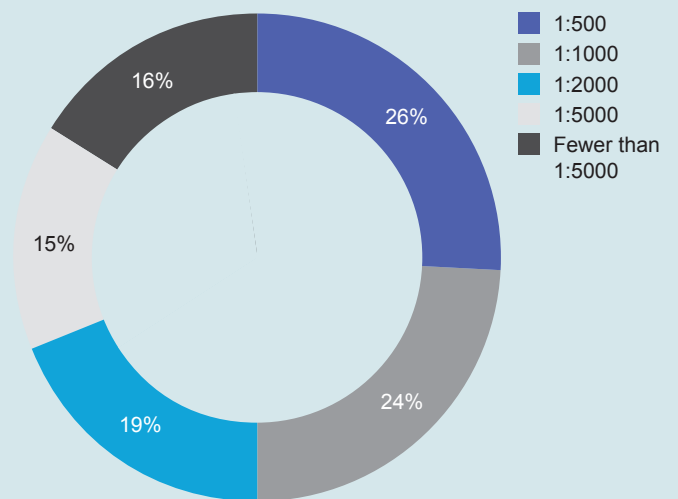
Internal Communication team size



80%
of our respondents' teams have either increased or stayed the same size

For the first time this year, we asked people to tell us the ratio of internal communicators to total employees in their organisation. While a ratio of at least 1 per 1,000 is often held up as a gold standard, our experience is that this varies widely between organisations, with some functions being significantly 'staffed up', while others make do with far fewer in IC. Surprisingly, the results showed that 50% of respondents work in an organisation where there is at least one internal communicator for every 1,000 employees, with the majority working to a 1:500 ratio. 16% of respondents work in organisations where more than 5,000 employees make do with only one IC practitioner.

Ratio of Internal Communicators to total employees

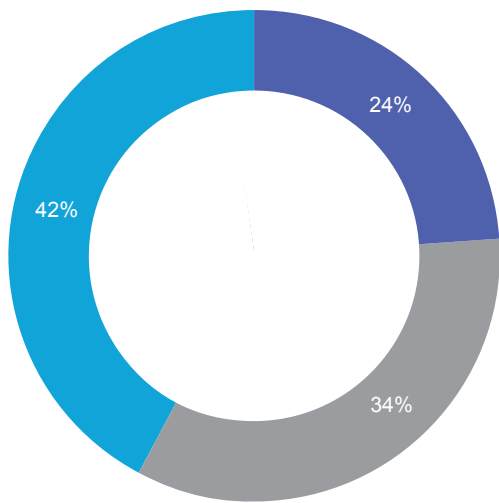


Budgets

The positive trend we saw last year has continued, with 63% of respondents reporting that their budgets either stayed the same or increased this year, 5% up on last year. There was also a decrease in respondents who have seen their budgets reduced – down 5% from last year.

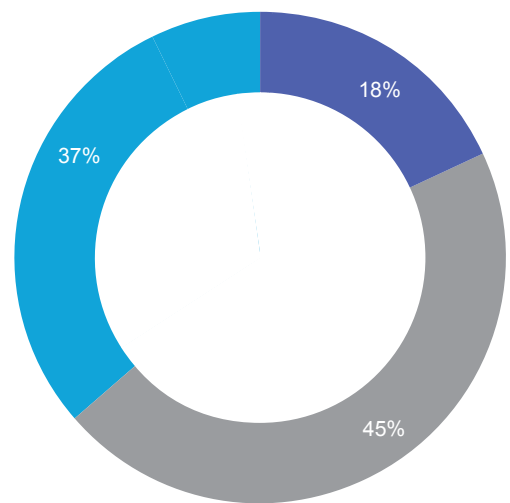
Changes in IC Budgets

Last year

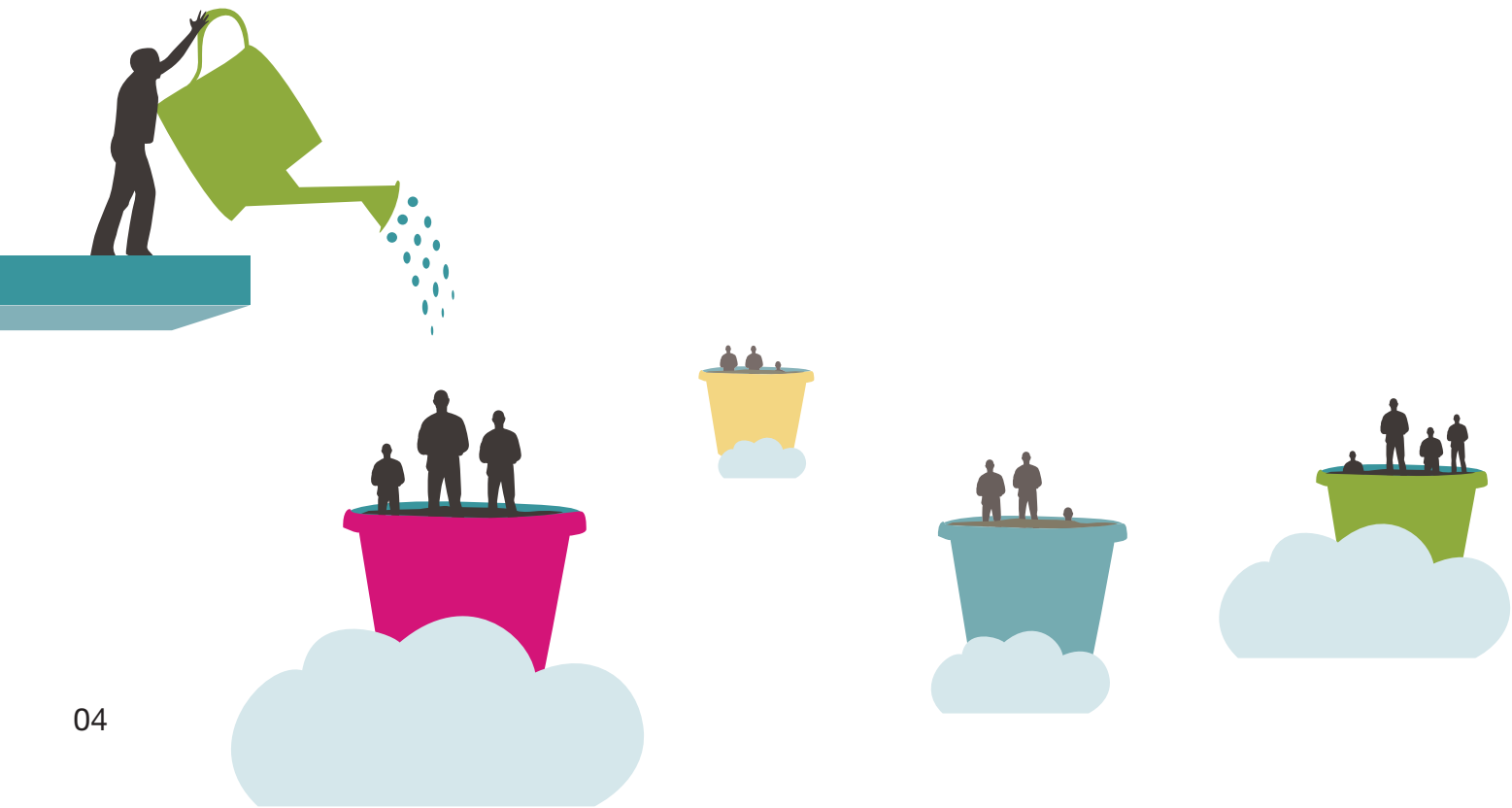


- Increased
- Stayed the same
- Decreased

This Year



- Increased
- Stayed the same
- Decreased

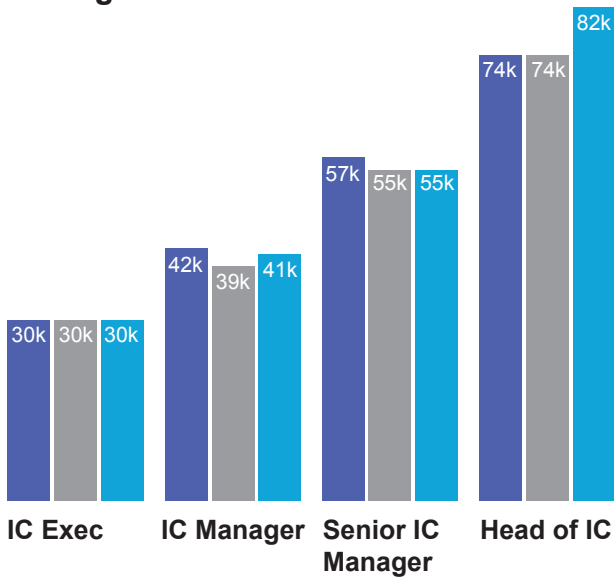


Remuneration

In the last few years average salaries have been largely suppressed with this year's notable exception being Heads of Internal Communication, where we have seen an increase of around £8k, from £74k to £82k. Organisations are reviewing and rewriting their Heads of IC job descriptions to ensure they are positioned strategically and then offering higher salaries to attract the top talent.

Average salaries across the other internal communication levels have continued to stagnate and this has led to a 2% increase, to 32%, in the numbers feeling inadequately paid - not as high as we might have expected, but we believe that this is because many are pleased to have remained in a job during the economic downturn. 66% of respondents still felt 'adequately remunerated' which suggests that the total package has an impact and that non-financial rewards are valued.

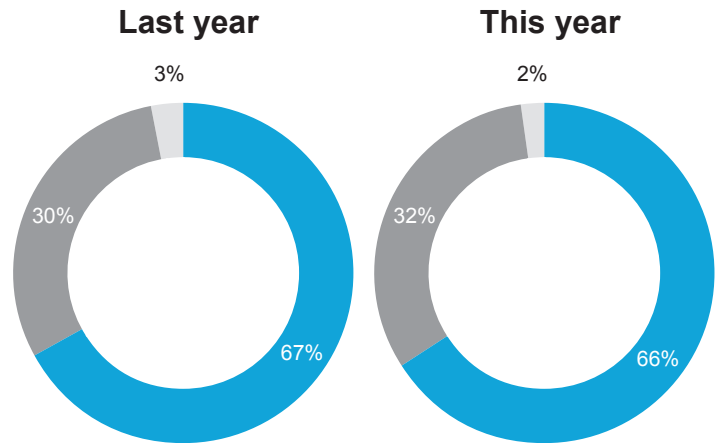
Average Basic Salaries



■ 2 years ago
■ Last Year
■ This year

The number of financial benefits and their value has remained largely static, halting a slight downward trend. The exception is bonus potential: more respondents are being offered a lower bonus this year compared to previous years, although the majority (31%) can still aspire to a bonus of at least 11% of their salaries.

Remuneration: how do you feel?



■ Adequately paid
■ Underpaid
■ Overpaid

It is apparent that many organisations are compensating for minimal wage increases and limited bonus potential by offering more flexibility within their benefit packages and allowing flexible working (which can include part-time work, job sharing, home-working, flexitime or compressed / staggered hours). 58% of all respondents are now offered flexible working, presenting an increase of 9% following previous years, with 45% taking more than 25 days' holiday a year, an increase of 8%.

A number of our interim candidates went on to extol the virtues of being self-employed, saying that it gave them 'variety' and 'the freedom to operate' and that this 'far outweighed the financial in-house benefits'.

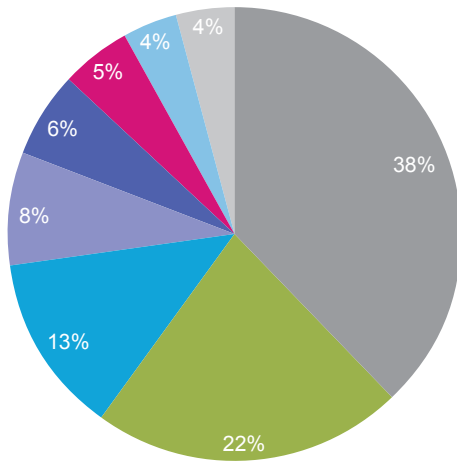
Benefit	2 years ago	Last year	This year
Pension contribution	70%	69%	70%
Flexible working	47%	56%	58%
More than 25 days' holiday	37%	47%	45%
Private healthcare	53%	47%	48%
Car/car allowance	32%	33%	31%
Bonus 1-10% of salary	20%	24%	24%
Bonus 11-20% of salary	22%	20%	18%
Bonus 21-30% of salary	8%	7%	8%
Bonus 30%+ of salary	5%	6%	5%

Reporting line

We asked respondents where Internal Communication sits in their organisations. The majority report to corporate communications, with only a small proportion reporting to HR. However, when questioned about representation at board level, only 5% had a board member purely representing internal communication – sadly

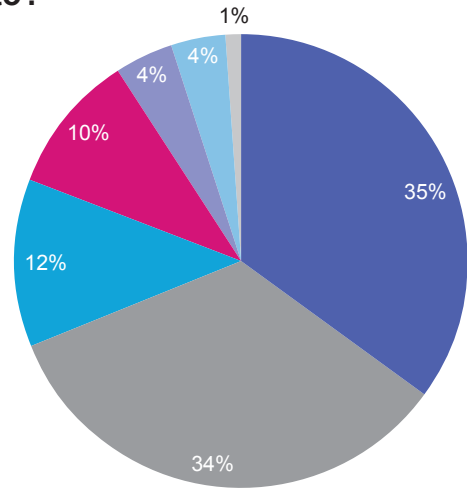
no change from our survey last year. When asked which senior leader IC should report to, 35% felt that the CEO was the most appropriate direct report followed closely by the Communications Director. 13% of respondents have an HR Director representing IC at board level, but only 12% felt this was the right choice.

Who do you report to?



- Director/Head of Corporate Communications
- Director/Head of Internal Communications
- HR Director
- Marketing/Marcomms Director
- CEO/MD
- Other 'C-Suite' position
- Functional business lead
- Programme/Change Director

Which senior leader do you think you should report to?



- CEO/MD
- Director/Head of Corporate Communications
- HR Director
- Other 'C-Suite' position
- Marketing/Marcomms Director
- Functional business lead
- Programme/Change Director

“Although I report directly to the CEO, it shouldn’t matter where Internal Communications sits as long as the individual accountable builds strong direct relationships throughout the business. It only matters when the line manager blocks this direct relationship as quality communications is so much about connecting and tuning into people.”

Eleanor Tweddell

Head of Internal Communications,
Virgin Atlantic

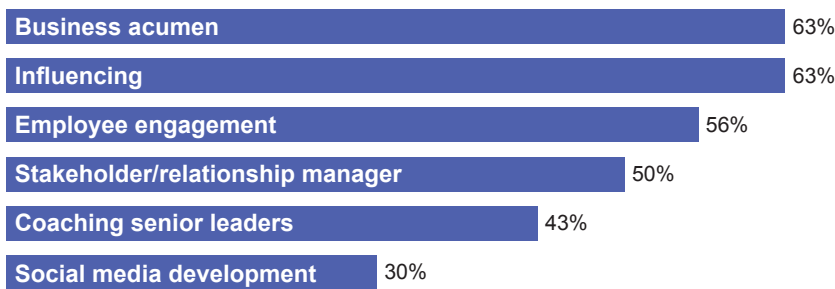


Skills

We asked a series of questions about key skills and competencies, which enabled us to look at the skills that internal communicators use on a daily basis, as well as those which respondents feel they need to develop further.

Business acumen and influencing were identified as the skills that most internal communicators used on a daily basis.

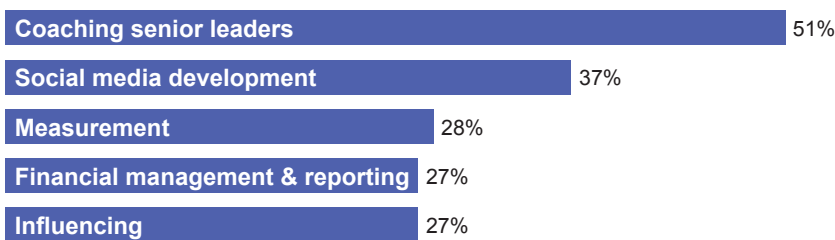
Key skills used on a daily basis



Coaching senior leaders and influencing featured prominently on the list of professional development needs this year and in our previous survey, alongside social media development, which is now accepted as being a key tool in any internal communicator's armoury.

What is surprising is that over 60% of respondents had not been offered any formal training or professional development by their employer despite identifying similar needs in last year's survey.

Personal perceptions - top five skills for development



“More and more communications is becoming a relationship business with the need to coach, advise and influence becoming more important. I obviously look for core skills in a person (like writing), but I also recruit based on business acumen and attitude. These are two skills you can't teach, but are inherent in an individual's personality. You've either got it or you haven't!”

Jenny Burns

Communications and Engagement Director, RSA

“It's clear that the ability to positively influence and coach senior managers is one of the most important skills to thrive as a communicator – it really is the difference between success and failure.”

Jenny Nabben

VMA Enhance Associate, Impact & Influence and Managing the Message

Key competencies

When asked to identify the top ten competencies considered most important for a successful IC practitioner, building effective relationships took the top spot followed closely by strategy and planning. Business awareness and understanding was in the top ten for 84% of respondents and project management made an impact with 74%.

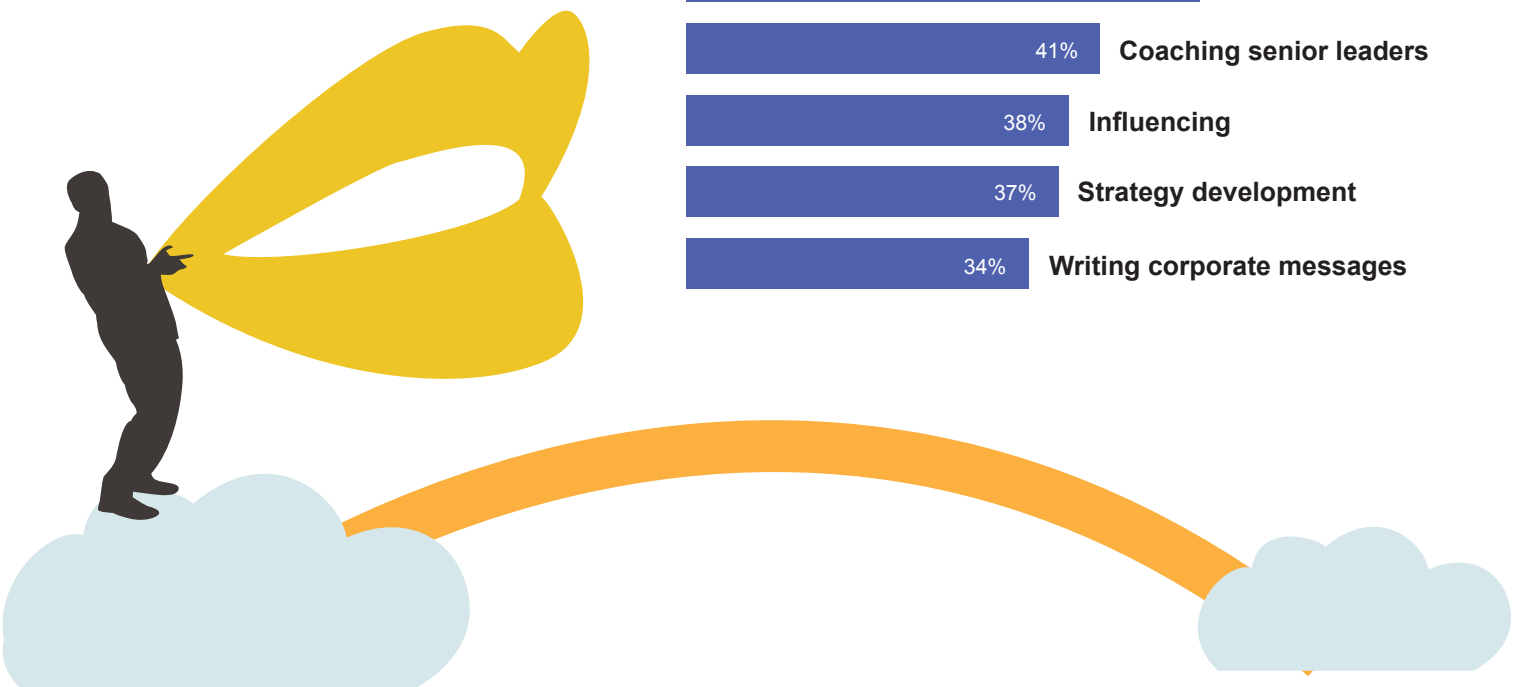
We asked respondents to identify those competencies most lacking in candidates if they have ever recruited or managed internal communication professionals. 51% of employers or managers felt that candidates lacked business acumen, yet this was not recognised as a development requirement from respondents answering from a personal perspective.

The need for business acumen resonates with feedback VMA Group has received from clients when recruiting, who feel that candidates who can demonstrate good business knowledge stand out from the crowd.

Top ten competencies



The hiring manager's view: top five skills that are 'most lacking'



Advocacy

We saw a worrying decrease in the number of respondents who believe their leadership teams are 'Key Advocates' for internal communication this year, from 30% last year, down to 20% this year. There was also a 4% increase in the 'unsupportive' category. These levels of advocacy are comparable to the previous survey results.

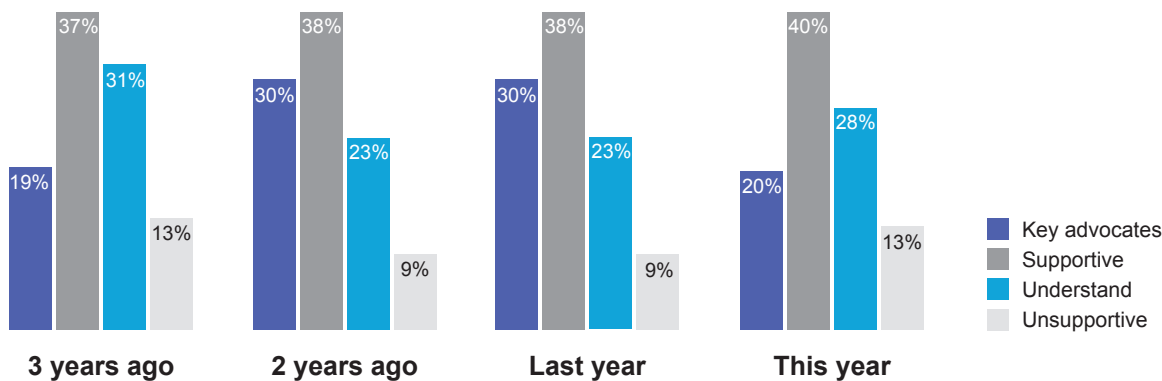
We asked the question "What does your CEO/Senior Management understand your role in the organisation to be?" The responses were very mixed and polarised. These ranged from 'typist' and 'gopher' at one end of the scale, through to 'trusted advisor' and 'strategic enabler' at the other. A large number of respondents claimed that their CEO does not know who they are, or what they do.

"The respondents who said their CEO doesn't know who they are or what they do, might want to consider another career path. Come on guys, it's down to us to demonstrate the value of what we do and be proud of it."

Mairi Doyle

Director of Internal Communications,
Bupa

Overall, how is Internal Communication viewed by the senior leadership in your organisation?



"It's utterly no surprise to see IC advocacy declining during the downturn. Under-pressure executives have many fish to fry. Good communications work is too often invisible or unsung - so why should it be remembered? Communicators, like any professionals, need to continuously earn their executives' trust and goodwill. We need to be both masterful tacticians and bolshy business strategists who can calculate and demonstrate the economic value we bring."

Rob Briggs

Director, Internal Communications,
RBC Wealth Management

Future challenges

What do you think will be the biggest challenge for the internal communication professional over the next five years?

Not surprisingly there was a range of suggestions for this part of the survey - a view of the future grounded not just in people's current skills, experience and career development hopes but against a backdrop of a rapidly changing society, increasing globalisation and the rise of social media with its inherent expectation to have your voice heard loud and clear.

Ultimately people felt that internal communication as a profession is constantly changing and internal communicators need to be able to adapt and be forward thinking. *"It's about understanding that the next generation of leaders/employees have very different values and all the usual motivations could pretty much go away."*

Others felt that internal communication professionals will begin to take on a more rounded skill set adding PR, social media and public affairs to their remit.

The IC holy grail of proving your value was also a major theme in the findings. And in the current economic climate where the CEO is looking at getting a return on investment in both people and products, never has it been more important to show the benefit you can offer a business.

As one respondent put it:

"The biggest challenge for IC professionals is to ensure we prove the benefit of really good IC in helping businesses get their people to deliver - in the way we work, the outcomes we can help leaders and managers achieve, the business knowledge and support we can offer leaders to help solve the issues that keep them awake. It's not about measurement, it's about the delivery of benefit and leaders seeing and feeling that benefit."

"I think one of the biggest challenges facing Internal Communication is moving from engaging our employees to empowering them. The old model of command and control is not going to be acceptable for younger generations who want choices and experiences. How do we encourage our leaders to let go?"

Donna Reeves

Head of Group Internal Communication, Kingfisher Plc

"With trust in leaders in most major organisations at an all time low, Internal Communication has a role to play in ensuring the right messages are communicated in a way that is meaningful to the audience. Employees' expectations about how they choose to receive their news have changed significantly in the last ten years and Internal Communication needs to catch up – I believe there is a lot we can learn from news editors."

Fiona MacAllan

Head of Corporate Communication and Citizenship, Nationwide

About us

As the UK's largest Internal Communication recruiter, VMA Group is the market leader in the search for talent in the Internal Communication profession in the UK and internationally through our global network.

We have an impressive track record of making appointments that last and add value for clients and candidates alike. We recruit in the following areas:

- **Strategic Internal Communication**
- **Change Communication**
- **Digital Internal Communication**
- **HR Communication**
- **Employee Engagement**
- **IT Communication**



At a time of widespread corporate change, we understand the critical role Internal Communication can play in improving how an organisation engages with its own people. Our team, picked from the IC profession itself, has experience of Internal Communication in practice from HMRC, BAE Systems, Cancer Research UK, Royal Mail and Aviva Investors.

If you would like to talk to us about the survey, your recruitment needs or your next career challenge, please contact a member of VMA Group's Internal Communication practice on +44 (0) 20 7436 4243 or email internalcomms@vmagroup.com.

Global Offices

London

23 Bedford Square
London
WC1B 3HH
T: +44 (0) 20 7436 4243
E: mail@vmagroup.com

Manchester

Suite 3C Marsland House
Sale, Cheshire
M33 3AQ
T: +44 (0) 161 358 1700
E: mail@vmagroup.com

VMA Group US affiliate partners, Patino Associates

Please Contact our London office:
T: +44 (0) 20 7436 4243
E: mail@vmagroup.com

Brussels

14b Rue de la Science
1040 Brussels
Belgium
T: +32 (0) 2 808 90 16
E: europe@vmagroup.com

Amsterdam

Amsterdam WTC, Tower H,
Zuidplein 36, 1077 XV, Amsterdam
T: +31 20 (0) 808 3990
E: europe@vmagroup.com

Hong Kong

1302, 13/F Prosperous Building
48-52 Des Voeux Road
Central
Hong Kong
T: +852 5808 2526
E: asia-pacific@vmagroup.com

Singapore

Prudential Tower
30 Cecil Street
Singapore
049712
T: +65 3158 4526
E: asia-pacific@vmagroup.com



VMA
GROUP

VMA GROUP

23 Bedford Square
London
WC1B 3HH

T: **+44 (0) 20 7436 4243**
E: **mail@vmagroup.com**