DEBATE

"Isn't it time we s
about measuring
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SCM columnists and measurement experts **Angela Sinickas** and **Kevin Ruck** recently engaged in a LinkedIn debate about the value of measuring the return on investment of internal comms interventions. Here SCM presents abridged versions of their arguments.

Kevin Ruck

It is brave to put a financial figure on the outcome of internal communication, but I believe it's a flawed approach to evaluating the success of these interventions. It reminds me of similar attempts by our PR cousins to defend the use of advertising value equivalent (AVE) to demonstrate that a piece of editorial is worth X pounds of advertising. We should be approaching this from the point of what should be measured and how best to do this. We should be educating senior managers along the way if we must, rather than capitulating and using defective measurement practices to keep the bean counters happy.

> **Let's drop the mythical maths and focus energies on raising levels of employees feeling well-informed**

Firstly, the ROI model assumes that a lot of internal comms work is directly related to immediate behavior change that adds revenue or decreases costs. In practice, most internal comms is informational. It's about day-to-day need to know procedures, or raising awareness about new processes and understanding of strategy. That's not to say this is unrelated to change, but behavior change is usually a long process and builds slowly from awareness and understanding and a multitude of influences, including peers and line managers.

I doubt very much that you can easily identify employees who have a) understood comms as intended, and b) then changed their behavior in a noticeable way. The suggested way to do this sounds very expensive in itself and the idea about asking employees to say how much formal communication has impacted on their change is really quite unrealistic – how would they know? It would be a guess at best.

I'm also concerned about treating employees as if they are some kind of research audience, for example, by having control groups who presumably don't get the comms that others get. If I was in a control group I would not be very happy about deliberately not being kept informed about something. Actually, I doubt very much whether a control group is going to work like this as they would get to know what's going on through the grapevine.

At the end of the day, not only is ROI for internal comms flawed, it is worse. By saying it can be done places impossible pressures on practitioners to deliver a credible figure to senior managers. And I really wonder how much senior managers believe the maths and want some magic formula for internal comms anyway. They don't ask finance managers or HR managers for an ROI on what they do, so why do we assume they expect this for internal comms? If employees are an organization's greatest asset, why wouldn't you want to talk to them?

Let's drop the mythical maths and focus our energies on raising levels of employees feeling well-informed and having a say in what goes on. It's enough to know that this approach to internal comms leads to higher levels of engagement that correlate with higher performance and customer service. We just need to get on with doing it rather than tying ourselves up in knots with flawed figures.

We absolutely must measure business related outcomes linked to setting clear communication objectives. However, to be meaningful, ROI has to be a robust, provable, financial figure. As we all know, internal communication is an extremely complex activity and most research experts believe that ROI is a flawed approach for measuring it. We must stop pandering to the bean counters!

Kevin Ruck is co-founder of the PR Academy, a Fellow of the CIPR and a PhD student researching internal communication measurement at the UK's University of Central Lancashire. He is also editor of the book *Exploring Internal Communication* available at **www.exploringinternalcommunication.com**

stopped worrying g ROI on internal ication?”

Angela Sinickas

Kevin, feel free to just do what you think is right without proving to management that it matters or makes any difference. I have no desire to convert you. I don’t recommend calculating ROI on everything we do. I find that getting the ROI on one specific campaign a year that is intended to change a specific behavior more than justifies the cost of an entire communication function.

Calculating ROI based on either revenue, profit or cost reduction is nothing like AVE. That is not real money; it’s a made-up number that in no way touches an organization’s bottom line. ROI is very real money.

In order for communication to be able to take the right amount of credit for a successful company initiative, we do need to demonstrate (1) that the knowledge needed for the behavior change increased, (2) that attitudes supporting the behavior change improved, and (3) that we actually produced communication directed towards those improvements. Are those some of the “right” things to measure? In order to take the right amount of credit, we still need to measure all of those.

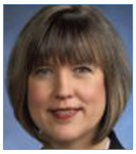
You say: “In practice, most internal comms is informational. It’s about day-to-day need to know procedures, or raising awareness about new processes and understanding of strategy.” Every one of the things you mention absolutely has behavior change as the purpose of the information. There’s no point to informing about a new procedure or process unless employees start using the new procedure immediately, not in some distant, long-term future. Same thing with strategy; it will not be fulfilled unless people in specific jobs do specific things differently every day.

Perhaps Kevin and I have very different ideas of pilot/control groups. Accidental pilots happen every single day. We develop a perfect campaign. We launch it. And in some locations the managers embrace the campaign and in others they don’t. They don’t conduct the meetings we suggested. They ignore our slide sets. They don’t let employees take time to view a webcast. They don’t forward an email from Corporate at all, let alone putting their own local context into it. This automatically creates a pilot/control group situation created by management discretion, not by us being manipulative in withholding necessary information from human guinea pigs. All we need to do is put the desired behavioral results by location into two buckets: those that used the campaign correctly and those that left out major pieces. If the desired behaviors occur at a greater level where the communication was fully implemented, we can take credit for the difference in results because all those other organizational factors would be the same everywhere on average.

> **The math is not at all mythical – one client for whom we calculated ROI saw their budget tripled**

I also disagree that execs don’t expect ROI from HR or IT. They absolutely do, and often they ask for anticipated ROI before green-lighting projects like training or a new software platform. Also the math is not at all mythical. It is real enough that one client for whom we calculated the ROI of one major internal campaign they ran one year saw their communication budget being tripled – because they wanted more of this results-focused type of communication. I hear story after story of communicators who have used this measurement mindset about how their jobs were not cut during an economic downturn, while other staff positions were, because their leadership teams had seen the financial results the communicators had been contributing to throughout the past year or two.

Again, I am not trying to convince anyone to change what you do. If your management already has a deep understanding of the value of what we do, you are very fortunate. Most of the rest of us have worked for leadership teams headed by bean-counters. We need techniques for talking with them at their level, or we have no credibility and no clout for more resources.



Angela Sinickas, ABC, IABC Fellow, is president of Sinickas Communications, Inc., an international communication consultancy specializing in helping corporations achieve business results through targeted diagnostics and practical solutions. For more information visit: **www.sinicom.com**