



DIGITAL CHAPTERS



BEP335

CHAPTER 9

Measuring the Value of Internal Communication

From Excellence in Internal Communication Management

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(A Business Expert Press Book)

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This document is authorized for use only by Ingrid Suazo in Organizational Communication taught by Rex Hammond, Other (University not listed) from Sep 2020 to Dec 2020.

CHAPTER 9

Measuring the Value of Internal Communication

The importance of measurement and evaluation can never be overemphasized in achieving successful communication efforts. Common adages are, “What gets measured gets done” or “No evaluation, no improvement.” Measurement not only helps communication professionals to better understand communication problems, situations, issues, target audiences, and stakeholders, but also to determine the methods, tactics, tools, and messages that are effective and those that are not. More importantly, evaluative efforts provide hard data and evidence to document the success or value of communication programs and activities. Such data grants communication professionals negotiating power to obtain more resources and support from top management and allow them to eventually gain a seat at the strategic-level decision-making table.

Measuring internal communications is essential because these efforts are often tied to important employee outcomes, such as job attitudes, behavioral changes, and, more importantly, productivity, sales, and organizational performance (Berger 2008). However, for many internal communication managers, measurement and evaluation have been an important but challenging area. Melcrum’s (2013) recent quantitative and qualitative data suggests that measuring, evaluating, and reporting on the effectiveness of internal communication strategies is one of the key challenges in the coming age of internal communication, along with the issues of workplace digitization and engagement. Communication leaders have identified a variety of barriers, such as insufficient resources (e.g., money and staff), difficulty in linking internal communication initiatives to business outcomes and return on investment (ROI), time constraints, lack of knowledge on quantitative or qualitative research and analytics,

or absence of effective tools (Berger 2012; Rodgers 2006). In the international surveys conducted by Watson Wyatt, nearly 47 percent of the respondents reported that their companies had no formal assessment tool to evaluate the success of internal communication initiatives (Meng and Berger 2012).

Today, increasing competitiveness for budget allocations and pressure to develop ROI metrics for almost every communication expenditure have made internal communication measurement necessary for organizations. Although the adoption of new technologies, such as enterprise social media in internal communication, has complicated the matter of evaluation, it also provides built-in analytical tools and informal venues for organizations to gather employee data and solicit feedback. This chapter addresses the pressing needs for organizations to demonstrate the value of internal communication and delves into the important issues of measurement, such as what should be measured in employee communication programs (e.g., outputs, outtakes, and outcomes), how to measure them, and the alignment of communication outcomes and business objectives. The discussion in this chapter serves as a building block toward emerging standards for internal communication measurement that incorporates program-, organizational-, and business-level metrics.

A Review of Existing Measurement and Evaluation Models

Measurement and evaluation is a hot topic in public relations and communication management. Previous authors (Michaelson and Stacks 2010; Stacks 2010; Stacks and Michaelson 2010) have developed various measurement and evaluation models from different perspectives to guide evaluative practices. There are numerous award categories for campaign assessment, the *PR News* Measurement Hall of Fame, and an election-based membership organization dedicated to the topic named the Measurement Commission. There is also a *Dictionary of Public Relations Measurement and Research* (Stacks and Bowen 2013), now in its third edition, that is freely available online in eight languages (see www.instituteforpr.org).

org/dictionary-public-relations-measurement-research-third-edition/). Because initiatives, programs, and campaigns can differ in numerous respects, there is no one standard model for implementing the measurement of effectiveness. However, the industry disavows simple “counting impressions” metrics as well as ill-reputed AVEs (advertising-value equivalencies). Rather, there is an overall approach that is based on a “best practices” model—what should be done in an ideal scenario—with a goal in mind of measuring both attitudinal change and behavioral intention (Stacks and Bowen 2013). Stacks and Michaelson (2010) explained that, “Public relations best practices include (1) clear and well-defined research objectives, (2) rigorous research design, and (3) detailed supporting documentation” (p. 10).

A best-practice approach to measurement and evaluation also involves setting a *benchmark* by conducting research before any communication initiative (internal communication or otherwise) is undertaken. Sometimes, this phase of research is also called *formative research* because it happens at the formation or outset of a communication initiative. It may seem painstaking and burdensome to conduct research before actually doing anything else, but there is a good reason for that approach. The benchmark is the data that shows the attitudes and behavioral intention of your target stakeholders in an existent, unaltered state. This data will become the “before” benchmark to your campaign, as a comparison for your “after” data. It will allow the documentation of the amount of attitude and behavioral intention change among employees directly attributable to your internal communication activities.

Benchmark data is garnered by conducting research on the broad topic of your initiative with the strategic target stakeholders, normally through a *quantitative* survey followed up by qualitative data collection, such as focus groups or interviews. The survey normally covers a broad range of attitudinal variables (e.g., “To what extent do you agree with the statement ‘X is an honest organization?’”) and narrows to assess behavioral intention (e.g., “Please rate how likely you are to continue your employment at X”). When the survey is completed by as large of a sample of your population as is practical *at random*, statistical analyses

and generalizations can be made.¹ There are specific guidelines that cover the level of competence and margin of error you can have with such data. However, a general rule is that the greater the number of people who complete the survey, the better your results. You can then make statements for later comparison such as, “40 percent of the employee sample agreed or strongly agreed that organization X is honest.” Clearly, there is room for improvement in that example, and you would compare this before data with later data after your internal communication campaign and look for improvements in the measure of honesty.

A next step would be to gather *qualitative* data in which you ask participants for candid opinions about the areas of interest in your survey. For example, you may ask a focus group, “Can you offer any examples of when you believe the organization may have been less than honest with you?” or “What might have led you to feel that way?” Qualitative data can be used to add detail and in-depth understanding to your statistical results. Qualitative data is not generalizable, but excels in explaining why questions and offering insights into the data that are not possible to obtain from a quantitative sample.

Based on the analysis of these data, both qualitative and quantitative, an internal communication program (ongoing) or campaign (periodic) can be designed and implemented. Both ongoing and campaign programs would be assessed for their effectiveness. Program assessment would be conducted in order to measure effectiveness and retool elements of the program that were underperforming (i.e., research as feedback on the program), whereas campaign assessment would be conducted at the end of the campaign period.

Assessing the effectiveness of a program or campaign is conducted through using the *same* research measures that were used in the benchmarking phase of research. In this manner, assessment compares “apples

¹ The key term here, “at random” means that anyone in the target population can be chosen to participate in the research (Stacks 2011, 2017). Non-random or non-probability research can only say what was obtained and not generalize it to the larger group that may define the population; random selections allows for generalization within varying degrees of measurement and sampling error.

to apples” and be used to show the ROI to the organization through its internal communication initiative. The amount of change that is measured, with a new sample in the evaluation phase, is comparable to the data gathered in the benchmarking or formative research phase. For example, your analysis of program effectiveness could conclude:

Whereas only 40 percent of employees thought the organization was honest initially, after the internal communications ethics initiative, 56 percent of employees reported that the organization was honest. This data marks a 16 percent increase in perceptions of honesty among employees as a result of our ethics initiative.

Further, that data can be used to guide ongoing communication programs. For example, this report may conclude:

A 16 percent increase in employee perceptions of honesty was reported after a three-month ethics campaign, so we recommend that the campaign be extended for three more months with a target of another 15 percent increase in employee perceptions organizational honesty.

At that point, campaign effectiveness could be assessed again.

Although thinking of the best practices approach as taking a “before” and “after” snapshot of attitudes might be a bit of an oversimplification of the complex quantitative and qualitative research measures involved, yet it can be helpful in explaining the efficacy of our activities and justifying further expenditures on internal communication. Further, using this best-practices approach to measuring the effectiveness of our communication activities can help save money by budgeting for those initiatives that are achieving success and retooling initiatives that are not meeting goals or objectives. Measuring effectiveness helps the internal communications manager communicate with precision, targeted effectiveness, alacrity, and to effectively meet the needs of employees.

What Should Be Measured in Internal Communication?

No single *standard* is used to measure communication effectiveness. One coherent theme that emerged from the previously reviewed measurement models is that communication can be evaluated from different levels at different stages. This multistage or multilevel measurement approach is

congruent with how human communication works. In the basic communication model, a message sender initiates the communication process by encoding the meaning into some sort of message. The message is then transmitted to the message recipients through certain channels, either interpersonal or mediated within a social or traditional (e.g., newspaper, television, radio) context. When the receivers receive the message, they decode its meaning to understand, interpret, and make sense of it. They then react with certain attitudes or behavior on the basis of their interpretation of the message. Therefore, following the communication “loop,” as pointed out by Lindenmann (1993) and Broom and Dozier (1990), communication efforts can be evaluated as *outputs* (e.g., messages sent, paced, and distributed; channel effectiveness), *outtakes* (e.g., reach; impressions audience’s reception, recall, and retention of messages; understanding), and *outcomes* (e.g., changes in audience awareness, knowledge, opinions, attitudes, and behaviors).

Repeated internal communication activities and programs influence employees’ understanding of key messages and sense-making, which in turn affect their beliefs, attitudes, opinions, and changes in behavior over time. Eventually, positive employee behavioral changes, such as higher level of engagement, advocacy, and organizational citizenship behavior, cast a lasting impact on the tangible organizational outcomes of sales, productivity, and organizational performance. The three building blocks of internal communication—hierarchical (leadership) communication, corporate (mass) communication, and informal network (horizontal peer communication among employees)—should all be considered in the evaluation process. On the basis of recent professional and academic literature, the authors suggest a list of key performance indicators (KPIs) and evaluation criteria for each level of internal communication measurement.

Output Measures

Outputs are essentially the direct results of the tactics and channels used to implement internal communication strategies; in other words, an output refers to what is produced and distributed.

Message Products

This is the most straightforward measure to count the communication materials produced and distributed in the internal communication process, such as numbers of newsletters, magazines, CEO speeches produced, e-mails sent, events or meetings organized, and social media updates posted.

Channels

Beyond examining the message, the effectiveness of the channels should be continuously evaluated. Are the mediated or interpersonal channels working for your specific communication purpose (e.g., to inform, to listen, to acculturate, to connect)? Which channel is the most effective for which purpose—newsletters, magazines, intranet, e-mail briefings, conferences, “town hall” meetings, team meetings, one-on-one meetings, or social media tools? Is the channel appropriate for the content? Is the channel working for particular internal audiences? Are the channels chosen the ones used by audience members to gratify their information needs?

Outtake Measures

Outtakes are associated with how audiences receive, perceive, interpret, and react to the messages that are communicated to them.

Reach

The simple distribution of messages cannot guarantee the reach and reception of messages. For example, how many employees opened your e-mail? How many employees read your newsletter or watched your videos? How many unique visitors visit your website every day? What percentage of employees subscribed to the corporate blog, read your posts, or followed you on Facebook, Twitter, or LinkedIn?

Two-Way Engagement

The readership and viewership of messages indicate one-way message consumption. However, communication is a two-way, give and take, send and receive and re-send, dialogical process. Measures used in program evaluation should gauge stakeholder's level of engagement with the message(s). For instance, which blog or social media posts caught employees' attention and which one earned the most likes, shares, and comments? How many downloads and click-throughs were attained? How many pieces of content, such as blog posts and re-tweets, are contributed by employees?

Content

Messages can be evaluated from employees' perspective in terms of understandability or readability, relevance, clarity, and credibility. Questions can also be asked about the format or style of the messages: Is the message attention-grabbing? Is it memorable? Do the employees find the message interesting?

Message Recall or Retention

To examine whether key messages are successfully retained by employees, quick polls can be conducted to gather employee feedback on whether they could recall certain key messages, how much they could recall, and why they are able to recall it (e.g., was it because of the humor or emotional elements in the message?). Such measures offer feedback on the effectiveness of message appeals and types of content that stick with employees.

Information Satisfaction

This measure mainly evaluates whether the messages are meeting internal stakeholders' information needs. Is the information timely? Complete? Accurate? Consistent? Adequate? Sufficient? Added? Is it what the organization and leaders want to tell or what employees want to know? A difference exists between knowing what employees need to know and being in the know. Being always kept in the loop about happenings in the

organization builds a sense of belonging, reduces uncertainty and rumors, and fosters employee advocacy (White, Vanc, and Stafford 2010).

Outcome Measures

In general, outcomes of communication can be measured at the cognitive, affective, and behavioral levels (Stacks 2002, 2011, 2017). In other words, the effect of communication can be gauged in terms of its influence on audiences' awareness, knowledge, understanding, opinions, attitudes, interests, and behavior (Broom and Dozier 1990; Lindenmann 1993).

Cognitive Level

Awareness/knowledge/understanding. Internal communication serves an important informational purpose. For instance, an organization's mission, vision, purposes, and core values must be continuously communicated, interpreted, and reinforced. Accordingly, measures should be undertaken to examine how much employees know about and understand the organization's identity, ethical values, and brand platform. As employees become more active corporate advocates and ambassadors in the increasingly connected and transparent social era, organizations need to invest more in educating and involving their employees symmetrically in their strategic initiatives, including defining who they are, what they believe, what they do, and why they exist. Additionally, during issues, crises, or change management processes, employees' full understanding of the situation can reduce uncertainty, prevent rumors, and instill confidence in management. Increasing employee awareness, knowledge, and understanding of what is communicated by the organization serves as a critical first step in changing employee attitudes or behavior. Michaelson and Stacks (2010, in press) talk about this in terms of the "communication life cycle" or the BASIC model (Figure 9.1). Understanding where stakeholders are in the life cycle through research provides a strategic starting advantage for any internal communication program, thus saving time and money.

Internal reputation. Defined as "employees' overall evaluation of the organization based on their direct experiences with the company and all forms of communication" (Men 2014a, 256), internal reputation is an

Communication objectives

● BASIC communication objectives for public relations efforts:

- Build awareness
- Advance knowledge
- Sustain relevance
- Initiate action
- Create advocacy



Figure 9.1 BASIC communication objectives for public relations efforts

important performance indicator of an organization's internal communication efforts. Adopting the Harris–Fombrun Corporate Reputation Quotient (Fombrun, Gardberg, and Sever 2000), which is a valid, reliable, and robust tool to measure corporate reputation, we can examine internal reputation from the following six aspects from the perspective of employees: emotional appeal, product and services, vision and leadership, work environment, social and environmental responsibility, and financial performance. A sample measure is provided in Appendix A.

Perceived organizational ethics, core values, and transparency. Organizational ethics is the extent to which an organization acts on moral principles. They are how it defines, upholds, and enacts its core values—those values are key beliefs that govern the behavior of—and in—the organization (Bowen 2015, 2016a). The extent to which employees perceived organizational ethics can have a tremendous impact on how much trust they place in the organization (Bowen, Hung-Baesecke, and Chen 2016) as well as how they rate its transparency. Transparency can be evaluated as the openness and visibility of an organization's communication and reputation attributes (Rawlins 2009). From the employees' perspective, transparency can be measured in terms of whether the organization disseminates substantial, truthful, complete, accurate, and balanced information in a timely manner (information substantiality); whether the organization incorporates employees' voices to determine what information they really need, how much information they need, and how well the

organization is fulfilling their information need (participation); whether leaders enact ethical behavior and follow words with actions (Bowen 2015); and whether the organization is accountable for their words, actions, and decisions and is open to criticism (Men and Stacks 2014; Rawlins 2009). A sample measure (Rawlins 2009) is provided in Appendix B.

Perceived organizational authenticity. Stakeholders, including employees, emphasize organizations' authenticity. Following the call to build an *authentic enterprise* by the Arthur Page Society in 2007, communicators have since endeavored to foster organizational authenticity characterized by truthfulness, genuineness, and consistency. Employees' perceived organizational authenticity can be measured by asking whether employees believe that the organization advocates truthfulness in its storytelling (Molleda 2010), whether the organization acts genuinely and does not manipulate employees, and whether the organization stays true to itself; in other words, the organization's conduct is congruent with its values, beliefs, mission, principles, and rhetoric (Men and Tsai 2014; Shen and Kim 2012). A sample measure (Shen and Kim 2012) is provided in Appendix C.

Affective Level

Employee–organization relationships (EORs). Organization–public relationships have been suggested as one of the major outcomes of public relations at the organizational level. Similarly, the effectiveness of internal relations can be measured by evaluating the quality of the relationships between employees and the organization. By definition, an EOR refers to the degree to which an organization and its employees trust one another (*trust*), agree on who has the rightful power to influence (*control mutuality*), experience satisfaction with one another (*satisfaction*), and commit themselves to the other (*commitment*) (Men 2014c). The EOR scale adapted from Hon and Grunig's (1999) measure of organization–public relationships is presented in Appendix D. This model has recently been adapted to also include ethics as a variable that must be present *before* any relationship can be built, as it is a facilitator of trust between an organization and publics or employees (Bowen, Hung-Baesecke, and Chen 2016).

Job satisfaction. Many believe that internal stakeholder's job satisfaction is the most focal employee attitude and is predictive of employees' job performance. Locke (1976) defined job satisfaction as "... a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (p. 1304). The two most extensively validated job satisfaction measures are the Job Descriptive Index (JDI) (Smith, Kendall, and Hulin 1969) and the Minnesota Satisfaction Questionnaire (MSQ) (Weiss et al. 1967). The JDI assesses satisfaction with five job areas: pay, promotion, coworkers, supervision, and the work itself. The MSQ has the advantage of versatility, providing both long and short forms of measures. Although internal communication is not the only factor that influences job satisfaction, it plays an important role in affecting employees' satisfaction with coworkers, supervisors, and the work environment.

Organizational identification. Internal communication builds shared understanding and interpretations, and thus nurtures a sense of belonging and organizational identification. Organizational identification is defined as "perception of oneness with or belongingness to an organization, where the individual defines him or herself in terms of the organization(s) in which he or she is a member" (Mael and Ashforth 1992, 104). A sample measure of organizational identification based on Mael and Ashforth (1992) is provided in Appendix E.

Employee empowerment. Defined as employees' feeling of competence and having decision-making autonomy and control in the organization (Men 2011), employee empowerment is regarded as an important mediator between leadership, communication factors, and employee outcomes. Open, transparent, and two-way organizational communication, sufficient information, and transformational leadership that emphasizes listening, participation, and care for employees instill a sense of empowerment. Thus, the effectiveness of internal corporate communication and leadership communication can be determined from the measurement of employees' feeling of empowerment in the organization. A sample measure of employee empowerment (Men 2011) is presented in Appendix F.

Employee engagement. Engagement is prevalently measured by organizations as a KPI of effective internal communication and management. Engaged employees are attentive, fully and actively present, immersed, and motivated to bring all aspects of themselves to the performance of

their work roles. They also demonstrate high levels of energy, passion, and enthusiasm in what they do, and they find meaning, inspiration, and purpose in their work. Employee engagement describes employees' motivated state characterized by cognitive, physical, and emotional involvement. Organizations such as Gallup, Towers Watson, and IBM Kenexa administer annual and bi-annual engagement studies globally in the largest organizations. A sample measure derived from recent literature (Men 2015) is provided in Appendix G.

Behavioral Level

Behavioral change is the ultimate goal of communication. Organizations' internal communication efforts nurture employee attitudes, which eventually drive employee behavior and action toward a particular direction. The following list of outcome variables summarizes some key behavioral-level performance indicators of internal communication based on the literature.

Employee advocacy. The role of employees as organizations' informal spokespersons and advocates is more salient than ever before in this increasingly connected and transparent digital age. Successful internal communication nurtures positive employee attitudes, which turn employees into corporate ambassadors, who are considered to be more credible and trustworthy than CEOs or public relations managers as corporate spokespersons. Employee advocacy, defined as "the voluntary promotion or defense of a company, its products, or its brands by an employee externally" (Men 2014c, 262), is a major step forward in evolving employee–organization relationships. A sample measure of employee advocacy (Men 2014c) is presented in Appendix H.

Employee communication behavior. Employee communication behavior centers on the role of employees as information agents. Two types of employee communication behaviors are "megaphoning," which refers to employees' positive or negative external communication behaviors about the organization's accomplishments or problems, and "scouting," which refers to employees' voluntary efforts to search and obtain valuable organizational-related information and circulate and share such information

with the organization (Kim and Rhee 2011). Such two-way voluntary information behavior can result from organizations' effective internal communication and quality employee–organization relationships. The measure of employee communication behavior developed by Kim and Rhee is included in Appendix I.

Organizational citizenship behavior (OCB). The concept of OCB denotes employees' organizationally beneficial behaviors and gestures that are neither enforced based on formal role obligations nor elicited by contractual compensation or reward systems. For example, if an employee voluntarily stays late to finish work when not asked to or goes out of his or her way to help a coworker who encounters a difficulty is considered an organizational citizen (Feather and Rauter 2004). Organizational citizenship behaviors are arguably predicted by individual dispositional factors, organizational characteristics (e.g., culture and communication), task characteristics, and leadership behaviors (Podsakoff et al. 2000). In addition, such behaviors are positive correlated with employee attitudes, such as job satisfaction, quality employee–organization relationships, and organizational identification (Feather and Rauter 2004), which are directly or indirectly affected by organizations' communication efforts. A sample measure of OCB as an indirect behavioral outcome of internal communication is presented in Appendix J.

Employee voice behavior. Voice behavior refers to employees' expression of constructive ideas, information, opinions, and insights about change in the organization (directed up, down, or horizontally) that are explicitly intended to benefit the group or the organization. Voice is a particular form of employee proactive or citizenship behavior (Botero and Dyne 2009), and it has been found to predict employees' job performance and creativity (Ng and Feldman 2011). Researchers have suggested a variety of voice behavior influencers, including leadership behavior (e.g., transformational leadership and authentic leadership), leader–member exchange (supervisor–follower relationship), and organizational culture (Botero and Dyne 2009), which are all intertwined with internal communication. Additionally, the availability of communication venues can influence employees' voice behavior. A sample measure of employee voice behavior (Botero and Dyne 2009) is included in Appendix K.

Employee alignment. Employee alignment refers to the degree to which employees understand, support, buy into, and are able to enact

the organization's strategic initiatives (Gagnon and Michael 2003). Creating such alignment is vital for organizations because employees are those who will accomplish their objectives. Research has shown that internal stakeholders who hold positive attitudes toward the organization's strategic objectives are more likely to make decisions that are congruent and aligned with these objectives. Eventually, this alignment contributes to organizational performance. Van Riel, Berens, and Dijkstra (2005) found that management communication, communication about strategic initiatives, and communication climates affect alignment. Specifically, employees are more likely to hold supportive attitudes toward the company's strategy issues when they consider the flow, content, and climate of internal communication to be adequate. A sample item to measure employee alignment could be "Most members of my division take initiative to implement the [company] values in day-to-day work" (van Riel, Berens, and Dijkstra 2005, 18). The Institute for Public Relations' Commission on Organizational Communication (2016) released a white paper on organizational clarity that addressed employee alignment and provided specific measures. Access to the full report can be found here: www.instituteforpr.org/wp-content/uploads/Organizational-Clarity-White-Paper-05-06-16-Final-Online.pdf

In addition to the measures described earlier, other factors such as employees' satisfaction with the organization's overall communication, perceived leader credibility, and leader-member exchange are important intermediate measures that can be influenced by corporate internal communication or leadership communication efforts, which eventually affect the aforementioned cognitive-, affective-, and behavioral-level employee outcomes. Team- or group-level outcomes such as satisfaction, commitment, and performance can also be predicted by team or peer communication. The authors make no attempt to exhaust the list but summarize some key measures that can be applied to all levels of internal communication for the organization to start with.

Business Results or ROI

Similar to the evaluation of external public relations efforts, perhaps the most challenging but important step of measuring internal communication is to demonstrate its effect on the organization's bottom line, that

is, to quantify how an employee communication program or day-to-day internal communication practices influence the company's business objectives or ROI. Such indicators include unit or organizational productivity, sales, revenue, employee retention, and customer satisfaction or retention. Broadly, the effect of internal communication practices on the organization's financial performance can be assessed by "money made" and "money saved." Whereas sales, revenue, and productivity are the *direct* measures of the business impact of internal communication, customer or employee retention and avoided crises or lawsuits because of effective internal communication save money for the organization, thus are *indirect* measures contributing to the company's bottom line. Indeed, multiple factors such as marketing, HR, and sales sometimes contribute to business results, and isolating the impact of internal communication practices may be difficult. Nevertheless, by using scientific methods, such measurement efforts can be achieved. For instance, a retail company can conduct an A/B test on two retail stores in the same city to showcase the effectiveness of their recently adopted internal communication technology and see how it affects employee morale, productivity, and sales. Faced with the rapidly changing and increasingly competitive business environment, communication managers today must make a direct and strong link between communication efforts and the organization's financial performance. Doing so not only helps communicators gain more management support, resources, and investment, but also contributes to the organization's long-term success and effectiveness. According to Meng and Berger (2012), high-effectiveness organizations are five times more likely to measure the business impact of internal communication than low-effectiveness organizations.

The list of internal communication KPIs may seem open-ended—for instance, employee communication practices also influence the organization's structural outcomes, such as organizational culture, innovation behavior, creativity, and organizational learning. Organizations and businesses may selectively use the measures introduced earlier depending on the needs, resources available to them, and purposes of communication. Knowing what to measure is a vital first step. The next big question facing communication managers then is "how," that is, how do we measure internal communication outputs, outtakes, outcomes, and business impact?

How to Measure the Effectiveness of Internal Communication

Measuring the results of internal communication requires a clear understanding of what the communication efforts try to achieve, for instance, to increase awareness or to change attitudes or behavior. Thus, setting up goals and SMART (i.e., specific, measurable, attainable, relevant, and time-bound) communication objectives that are output-, outcome-, or outcome-based is essential. Communication objectives should be developed on the basis of a thorough analysis of the situation (e.g., SWOT—strengths, weaknesses, opportunities, threats), the problem the organization is facing, resources available, and target audiences. Such objectives need to be aligned with business objectives. This requirement calls for communication managers who possess a strategic mindset, business acumen, knowledge of how the organization works, and the ability to step outside their department to work with senior management.

In addition to establishing communication objectives, communication managers must set up evaluation benchmarks, gauging the *status quo* with regard to what the communication practices aim to achieve (e.g., awareness, attitudes, or behavior) prior to any planned communication efforts. This aim can often be accomplished by secondary or primary research. Without something to gauge against as a baseline, communication initiatives can be hardly evaluated during or afterward with any degree of precision (Stacks, Dodd, and Men 2011). As noted by Stacks et al. (2011), communication research and measurement should be strategically planned like any other decision-making processes in the organization. With the baseline, benchmarks, and communication objectives in place, communication managers can ask relevant research questions or set research objectives for evaluative research, gather data through formal or informal research methods, analyze data, and draw inferences or recommendations for actions from the findings. As discussed earlier, a variety of data collection methods can be used by organizations to gather information on internal communication. These evaluative methods were broadly categorized as formal (quantitative) methods and informal (qualitative) methods.

Integration: Communication Audits

Formal methods are generally more expensive than informal ones, but neither approach alone is sufficient to provide a complete and comprehensive picture. Whereas quantitative approaches, such as surveys, can offer an objective view with representative data and may provide hard evidence with figures that showcase the effectiveness of an employee communication campaign, qualitative methods such as interviews could probe into details and help understand the rationale and behind-the-scenes stories regarding why such campaign was or was not effective. Successful companies seek to use a systematic and formal integrated evaluation approach such as a *communication audit*. The most complete format of a communication audit involves one-on-one interviews with top executives and opinion leader employees, focus group discussions, a well-conceived survey questionnaire, and a critical analysis of the strategic communication plan (Smith 1991). Such integrative methods not only provide both quantitative and qualitative data, but also incorporate the standpoints of the management and employees. The direct involvement of the management and employees in the evaluation process can help them develop a holistic view of how communication works in the organization and why it matters beyond the purposes of tracking communication performance and detecting deficiencies.

“Big Data” Predictive Modeling: Going Beyond Descriptive Analyses

Without thorough and sophisticated data analysis, information gathered can hardly be transformed into insights that inform management’s decision-making. Traditionally, the lack of data analytical skills is a key challenge in measuring communication efforts. Using descriptions, such as frequencies, percentages, or means, may provide simple and straightforward information about what the status quo is like, such as to what extent employees are satisfied or engaged. However, without correlational or predictive analysis, we cannot easily gauge which factors contribute to the increase or decrease of employee satisfaction and engagement. Similarly, if communication managers seek to establish the linkage between internal

communication factors and employee behavior or business success indicators, using correlational or predictive analysis is necessary.

Especially in today's digital era, a large volume of unstructured data from various sources are made available to organizations in real time. In fact, internal data are the primary source of big data within an organization (Melcrum 2013). Such data includes not only unstructured online data, such as information from online forums, web feeds, browsing habits, social media comments, and textual documents, but also internal structured data, such as HR records, web profiles, and employee data gathered from other formal methods. The proliferation of information, although unorganized, provides organizations with an invaluable opportunity to understand internal stakeholders at a deeper level. Companies can align their processes, culture, and operations to embrace and exploit big data to gain timely and differentiated insights about employees and make accurate predictions about employee attitudes and behaviors using new analytical tools. For example, Yammer partnered with a sentiment analysis startup, Kanjova, and incorporated big data analytics in the measurement of employee engagement. Yammer provides analysis on employee attitudes and perceptions on the basis of their conversations within the Yammer network. Instead of tracking or profiling individuals, the software aggregates and compares groups of conversations and produces a word cloud that depicts the company's trending conversations. It can also help showcase the most "liked" individuals in the office and locate the star employees and opinion leaders in different departments (Melcrum 2013). These new "big data" analytical tools unlock the value of the enormous amount of real-time employee-related information and allow companies to capitalize on it for competitive advantage.

Summary

Measurement and evaluation play an important role in demonstrating the success of the organization's communication efforts. A best-practices approach for program or campaign evaluation of attitudes and behavioral intention both before and after a campaign, using quantitative and qualitative research, was offered as a means to assess effectiveness. Effective measurement can help communication professionals better understand

the communication problem, situation, issues, and target publics, set communication benchmarks, and inform decision-making. It also documents the value of communication programs and helps gain departmental resources and support from top management. This chapter addressed two fundamental questions in measuring the value of internal communication, namely, what should be measured and evaluated (what are the measurement criteria) and how to measure them.

Overall, internal communication can be measured at the outputs, outtakes, outcomes, and business impact levels. Output measures include counting the number of messages produced and channel effectiveness. Outtake measures include message reach, impressions, and how employees perceive the message content regarding understandability, relevance, clarity, and credibility, how much they could recall or retain the key messages, and their information satisfaction. Outcome measures include cognitive-level variables, such as knowledge and understanding of the organization's vision, mission, purposes, and core values, perceived internal reputation, ethical principles, transparency and authenticity; affective variables such as employee–organization relationships, job satisfaction, organizational identification, employee empowerment and engagement; and behavioral variables such as employee advocacy, employee communication behavior, organizational citizenship behavior, voice behavior, and employee alignment. Business impact measures include unit or organizational productivity, sales, revenue, employee retention, and customer satisfaction or retention.

Effective measurement and evaluation requires SMART communication objectives set up at the beginning of the program. Quantitative (e.g., survey, experiment, content analysis) and qualitative research methods (e.g., key informant interviews, focus groups, participant observation) can be used to gather data. “Big data” analytics, correlational analysis, and predictive modeling allow organizations to establish relationships between variables and use big data to its maximum value for the organization's success.