



The Role of Internal Comms in Large-Scale Change

When **Pierre Goad** re-joined HSBC as Head of Communications six-years ago, he was tasked with ensuring that staff remained engaged and committed in the face of major restructuring of the global organisation. **Robert Leeming** reports

What was the situation at HSBC when you joined?

In 2011, a new management team started running the bank, led by our CEO, Stuart Gulliver. We were about to be fined \$1.9 billion for activities in Mexico and the US which related to breaching anti-money laundering rules. We knew that this would hurt our reputation externally and would be damaging to the morale of our colleagues. At the same time, the management team was also working on a comprehensive rethink of how to structure the group.

What did this rethink entail?

We needed to ensure that our community of employees at HSBC would continue to have confidence in the bank, the management team and the strategy.

Where do you begin given the scale and size of HSBC?

We decided that our colleagues sitting in Manchester probably had quite a lot in common with colleagues sitting in Singapore, whereas previously we had decided that the country's CEO should be the focal point, and that a connection

did not exist between nations at an employee level. However, we are an international bank; it makes sense to encourage people to think that they are part of a larger whole and not working in isolation.

How did the organisational design change?

There was a move from what was quite a federal structure, where the country head was responsible for all the operating business, to a more global structure, where we had four global businesses and ten global functions. In itself, this >



would have been a major cultural change for HSBC, because we had run as a federation for a long time.

What practical steps did you take to implement such a significant transformation?

Our style of communication needed to change. Firstly, we urged senior managers to do more face to face meetings, as we knew that this would create confidence. We also improved our town hall meetings, opening them up to everyone.

Every business and function head now holds regional and global town halls on a regular basis. Employees know that they can see their senior managers and ask them questions. It demonstrates that leaders are willing to listen.

We also needed to explain what we were doing. Repetition is the key to communication – you can't just explain the strategy once; you have to explain it many times before it starts to sink in.

What tools did you use to enhance the messaging?

One thing we did was to develop our video platform, HSBC NOW. This is now used externally, but it started off as an internal project. We create broadcast standard stories about the lives of employees.

So, if you are sitting in Manchester and you've never been to Singapore, you are watching your colleagues doing things in Singapore that are actually quite similar to what you are doing in Manchester. We wanted people to realise that we are all in this together.

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You sit on the Group Management Board. What information are they looking for on engagement and internal comms?

I report to the CEO and I... also present to some of HSBC's board committees, primarily on our Snapshot survey results, which is comprised of data taken from our employee survey.

Did you face scepticism from the board in the early days?

It took time to build our credibility. Some of what we're trying to do started as a hypothesis and we had to prove it would work. I give full credit to my fellow management board members, who gave us room to try things. Not everything worked, but most things did and we fine-tuned as we went along.

As we measured the results, people became more confident about what we were doing. We were able to demonstrate that the town halls, or HSBC NOW, were having a positive effect. The ability to provide numbers has helped immeasurably. We are a bank after all and, if you want to talk to people in a bank, it's very useful to have some numbers to go along with the words.

Can you quantify the culture of an organisation?

No, I don't think you can come up with one number that can measure culture, but we have made a big commitment to understanding our employees on a much deeper level than what a typical annual engagement survey can tell us.

We conduct quarterly surveys, with a much broader set of questions, which are not aimed at producing a single index score. Instead, we measure sentiment and awareness across a whole series of areas which, taken together, give us a good view of the health of the organisation.

For example, over the last few months we have been able to demonstrate that people who have a mentor are typically more positive on a whole series of other questions. So we are investing in more mentoring programmes.

Last year we observed that confidence in the strategy had taken a dip. If we'd only done an annual engagement survey we might have missed it completely. We realised that we had been spending quite a lot of time talking about other things, but we had probably, for a period, stopped talking about the strategy. >



We responded immediately and last summer did a major communications effort over a period of four months and the scores have bumped back up.

Can 'culture' become something of a box ticking exercise?

Yes, but I'd put it in a different way. Our belief is that there is no replacement to talking face to face; it doesn't matter if

you are the CEO talking to the entire company, or a team leader managing six people. We are absolutely convinced that this is key and we are able to prove it with data. I know because of our Snapshot surveys that people who go to regular team meetings and have regular, supportive, performance conversations with managers are much more positive across a range of other measures. This is not a hypothesis, I can prove it.

Is the transformation that began in 2011 nearing completion?

There is always going to be a way to go because we are operating in a dynamic market, and things are constantly changing. However, we've made a lot of progress in bringing about a strategic shift here at HSBC.

In terms of culture, I think we have made tremendous leaps forward. But, you can never relax, it's never finished, if for no other reason that, given our normal attrition rate, we have more than 20,000 new colleagues joining the bank every year.

It takes time for them to become part of the culture here at HSBC, so the work is never done. ■

WINNING HEARTS & MINDS

Nick Helsby, CEO of the specialist communications and government relations headhunting firm, Watson Helsby, has helped many companies understand and better define the contribution of their internal comms function.

Over the years there has been, and to a degree still is, an established, even ingrained, misconception that internal communications is less sophisticated and a more transactional discipline than external communications, requiring little more than content and channel management skills.

This is beginning to change as the more progressive internal communications functions establish Employee Insight teams. As a result, a more analytical and strategic internal communications function is beginning to emerge that has a deeper understanding of employee attitudes, sentiment and motivation, across a number of dimensions.

These teams are putting in place research programmes that help them better understand:

- Ideals, aspirations and needs of their employees. What inspires them to do their best work?
- Their mood, sentiment, sense of belief/confidence in the leaders, and what shapes their opinions.
- How employees chat, express, learn, share information and ideas, and how they use social media and other channels.
- Narrative and messaging research: help leadership understand how messaging will land internally, just as they do externally, and help them to use powerful, everyday language that resonates.

As Pierre notes in his article, it is this data and the insight that it generates that gets the function traction with senior leaders because it helps inform:

- CEO and leadership decision-making; offering solutions based on data, not assumptions and anecdote.
- CEO and leadership communications and behaviour.
- The types of conversations that the company should be having.
- Campaigning and campaign strategy and content.

If this trend continues we will begin to see a distinct shift in the credibility and authority of the internal communications function, one that is long overdue.

Watson Helsby is shortly to publish a report which explores trust, transparency and changing employee expectations.



Pierre Goad

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Prior to his current role, Pierre served as Group Head of Human Resources and as Group Head of Communications. He was appointed a Group General Manager in 2014. He re-joined HSBC in 2011 as Co-Head of Communications from Zurich Insurance Group, where he was Head of Corporate Communications.

Mr Goad has extensive international experience. Before joining the bank he was a correspondent and editor at the Canadian Broadcasting Corp., The Wall Street Journal in Canada, and The Asian Wall Street Journal in Hong Kong and Singapore.

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