ELEVATE THE
CONVERSATION

2018 State of the Sector on Internal Communication

Gallagher

Insurance | Risk Management | Consulting

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Introduction

In December 2017, Gallagher acquired Gatehouse, a leading internal communication and employee engagement consultancy. What brought us together? Both companies share an understanding that employee engagement is more vital to business success and economic growth than ever before. Working as one, we're now better together — with an expanded team that provides outstanding internal communications expertise across a broader spectrum of employee benefit and human resource capabilities.

Gatehouse has conducted State of the Sector research for the past decade to gain a better understanding of internal communication practices, channels and challenges. Now in its 10th year, the annual global study — one of the most comprehensive in this space — has polled thousands of practitioners since it was launched.

This North America edition of the State of the Sector report offers unique insights into the current and future status of employee communications in the U.S. and Canada. Its purpose is to equip decision-makers with the knowledge and benchmarks they need to build world-class employee experiences. As organizations build an environment where people can thrive and perform at a higher level, they'll develop and sustain a destination workplace culture that optimizes their annual talent investment and mitigates organizational risk — to maximize profitability. Best of all, they'll gain a competitive advantage as a workplace that simply works better.

Who responded?

More than 100 internal communication (IC) practitioners based in the U.S. and Canada participated in this research.

Role

Just over 2 in 5 respondents (43%) — a surprisingly low percentage — declare themselves internal communication specialists whose sole focus is internal communication and employee engagement. In contrast, 57% of internal communicators in other countries say they devote their energies entirely to these disciplines.

2 in 5

FOCUS SOLELY ON INTERNAL COMMUNICATION AND EMPLOYEE ENGAGEMENT

This finding could suggest that internal communication in North America is viewed as somewhat secondary in comparison to external business communication. Or, it's possible this region is leading the way in building full-service, integrated corporate communication functions.

The majority of respondents whose role is not purely internal communication also spend part of their time managing external communications, public relations and marketing. A smaller proportion split their time between internal communication and human resources.

Linked with the findings noted above, almost half of those surveyed say the IC function in their organization is a part of an integrated team, which also manages corporate communication, public relations and corporate affairs (48%). This is broadly in line with the rest of the world.

48%

INTERNAL COMMUNICATION, CORPORATE COMMUNICATION, PUBLIC RELATIONS AND CORPORATE AFFAIRS ARE AN INTEGRATED TEAM

Meanwhile, just 1 in 20 (5%) are a part of a dedicated internal communication and employee engagement team — compared to only half the global percentage.

Around a third report into other functions, including HR (21%) and marketing (9%). Eight percent (8%) indicate that internal communicators are scattered throughout a number of functions — possibly supporting the hypothesis that many North American organizations see internal communication as a secondary priority. Also, just 6% are part of a business unit while 4% report directly to the CEO.

Industry

Eighteen industries are represented in the sample. Healthcare and social services make the strongest showing at 21%, followed by IT and information services (11%), government and public administration (8%), engineering and manufacturing (7%) and financial services (5%).

18

INDUSTRIES REPRESENTED

Organization size

Most respondents (42%) work for large organizations with 10,000 or more employees. And around one-third (34%) are from organizations that employ less than 1,000 people.

42%

WORK FOR ORGANIZATIONS WITH 10,000 OR MORE EMPLOYEES

Purpose, priorities and challenges

The IC function

Naturally, the first question asked of survey respondents addresses their primary activities as internal communicators.
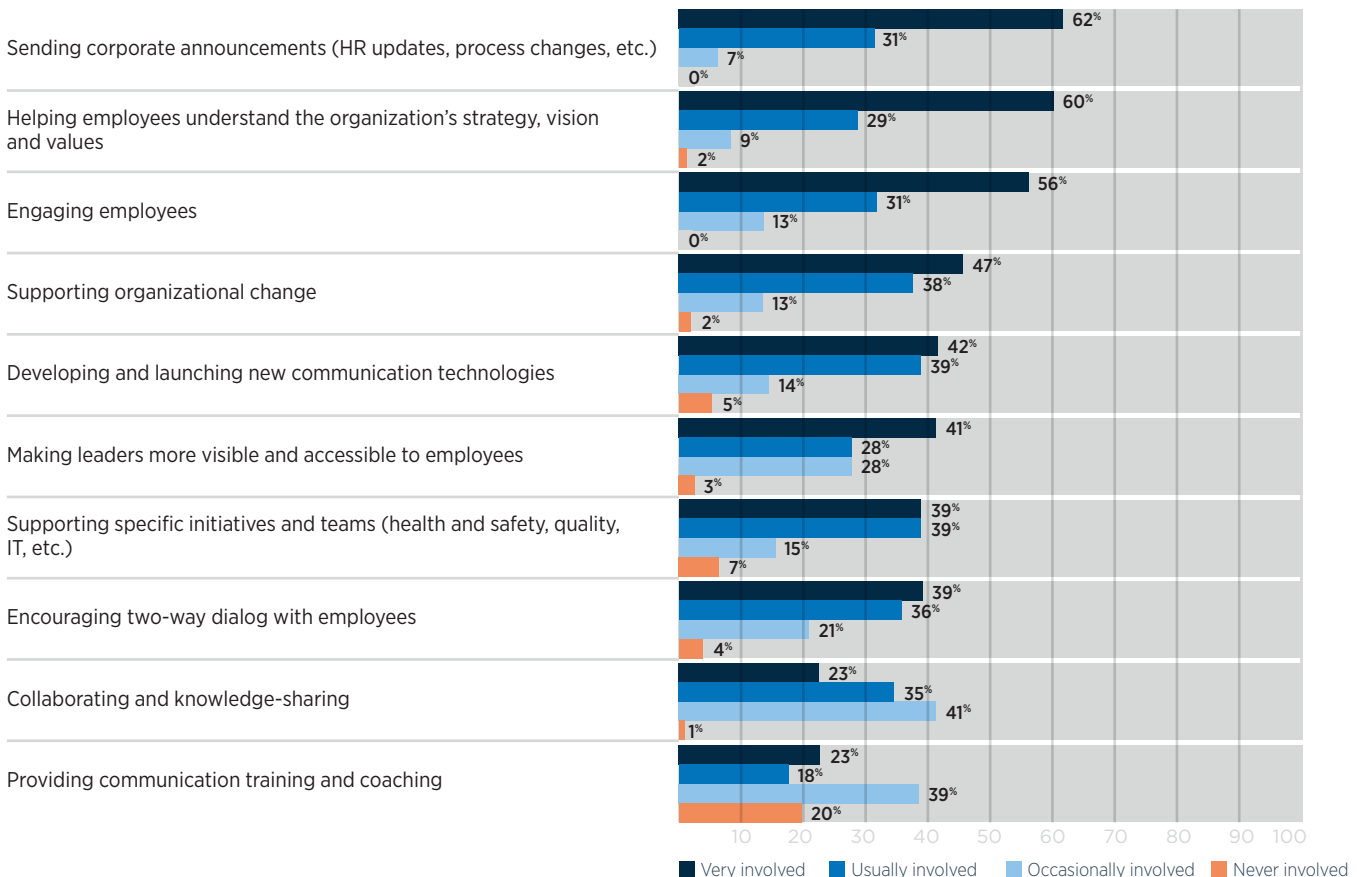
Overall, IC functions are involved in a broad range of both strategic and tactical activities. This split can be seen even when looking at just the top three activities. While 89% are "very" or "usually" involved in helping employees understand the organization's strategy, vision and values — and 87% count employee engagement as a regular responsibility — even more practitioners (93%) spend substantial time sending corporate announcements.

Other activities frequently undertaken by the IC team include supporting existing organizational change initiatives (85%), and introducing change by developing and launching new communication technologies (81%). This indicates that IC functions have a key role in ensuring that businesses evolve and progress.

Interestingly, only around two-thirds (69%) of internal communicators in North America are "very" or "usually" involved in making leaders more visible and accessible to employees — compared with 77% worldwide. On the other end of the spectrum, they're highly involved in unlocking employee voice (75%) — the way that employees express their views to their employer and influence matters that affect them at work. The same goes for promoting two-way dialog with employees.

These two findings suggest the focus is squarely on informing and engaging the broader workforce — not just senior leaders. However, empowering employees to share knowledge and collaborate with each other is a lesser priority, with a considerable 41% contributing to this effort only "occasionally."

LEVEL OF IC TEAM INVOLVEMENT IN ORGANIZATIONAL ACTIVITIES

Activity	Very involved	Usually involved	Occasionally involved	Never involved
Sending corporate announcements (HR updates, process changes, etc.)	62%	31%	7%	0%
Helping employees understand the organization's strategy, vision and values	60%	29%	9%	2%
Engaging employees	56%	31%	13%	0%
Supporting organizational change	47%	38%	13%	2%
Developing and launching new communication technologies	42%	39%	14%	5%
Making leaders more visible and accessible to employees	41%	28%	28%	3%
Supporting specific initiatives and teams (health and safety, quality, IT, etc.)	39%	39%	15%	7%
Encouraging two-way dialog with employees	39%	36%	21%	4%
Collaborating and knowledge-sharing	23%	35%	41%	1%
Providing communication training and coaching	23%	18%	39%	20%

Given their level of involvement in organizational activities, 73% of respondents see internal communication as a key driver of employee engagement. And 67% say the IC team is usually involved at all stages of communicating complex business messages.

In fact, internal communicators believe several aspects of their function are viewed positively by people within their organization. Seventy-one percent (71%) believe they are seen as trusted advisers by senior leaders, and 67% say those leaders understand the value internal communications add to the organization.

> 73% of respondents see internal communication as a key driver of employee engagement.
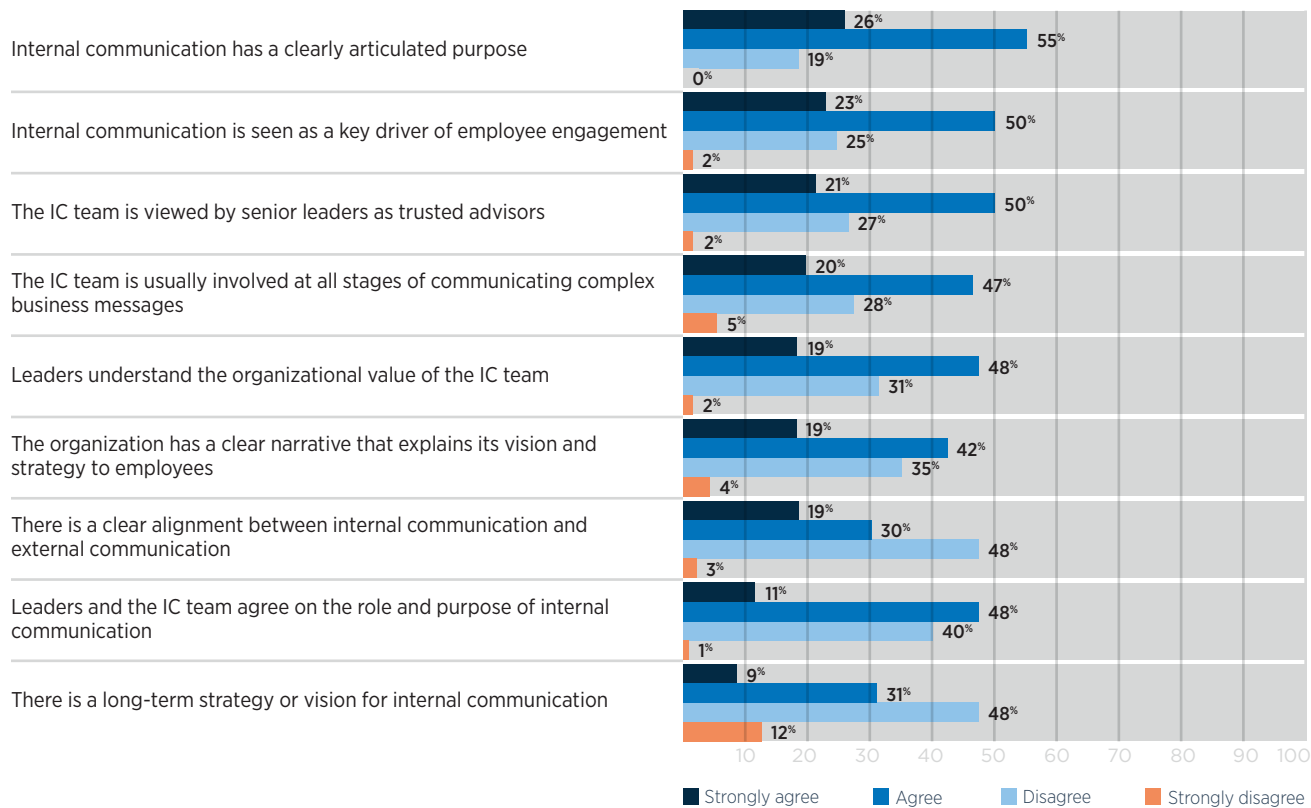
Despite these perceptions, internal communicators and senior leaders are not always on the same page —

as indicated by 41% who say these two groups don't agree on the purpose of internal communication. More than half (51%) of organizations also report misalignment between internal and external communication. This finding is unexpected considering that many internal communicators share their responsibilities with communicators in other roles.

It's possible that the trust internal communicators earn from senior leaders is partly due to their contributions to external and HR communications. If this is the case, it may explain why 60% of organizations have no long-term strategy or vision for internal communication, compared to 50% in other countries and regions where practitioners are more likely to have a specialized role.

Either way, managing multiple roles is difficult for internal communicators. And regardless of the often positive outlook they have about their role and their involvement in some strategic activities — it's disconcerting that a comprehensive IC strategy is not a given at many organizations.

PERCEPTION OF THE IC FUNCTION'S PLACE AND PERFORMANCE WITHIN THE ORGANIZATION

Internal communication has a clearly articulated purpose
- Strongly agree: 26%
- Agree: 55%
- Disagree: 19%
- Strongly disagree: 0%

Internal communication is seen as a key driver of employee engagement
- Strongly agree: 23%
- Agree: 50%
- Disagree: 25%
- Strongly disagree: 2%

The IC team is viewed by senior leaders as trusted advisors
- Strongly agree: 21%
- Agree: 50%
- Disagree: 27%
- Strongly disagree: 2%

The IC team is usually involved at all stages of communicating complex business messages
- Strongly agree: 20%
- Agree: 47%
- Disagree: 28%
- Strongly disagree: 5%

Leaders understand the organizational value of the IC team
- Strongly agree: 19%
- Agree: 48%
- Disagree: 31%
- Strongly disagree: 2%

The organization has a clear narrative that explains its vision and strategy to employees
- Strongly agree: 19%
- Agree: 42%
- Disagree: 35%
- Strongly disagree: 4%

There is a clear alignment between internal communication and external communication
- Strongly agree: 19%
- Agree: 30%
- Disagree: 48%
- Strongly disagree: 3%

Leaders and the IC team agree on the role and purpose of internal communication
- Strongly agree: 11%
- Agree: 48%
- Disagree: 40%
- Strongly disagree: 1%

There is a long-term strategy or vision for internal communication
- Strongly agree: 9%
- Agree: 31%
- Disagree: 48%
- Strongly disagree: 12%

Legend: ■ Strongly agree ■ Agree ■ Disagree ■ Strongly disagree

IC planning

Looking at IC planning processes and documentation used by practitioners, it's clear there's an opportunity for many to improve their approach and realize gains. With the exception of a written annual communication plan, fewer than one-third use any of the tools surveyed. In fact, 31% have no planning documents whatsoever.

While just 40% have a strategy or vision for internal communication, just 27% commit to a written IC strategy that covers more than one year. This suggests internal communicators may have lofty visions, but often the focus is short term.

Even more concerning, only around one-quarter (27%) of practitioners produce regular reports on IC activities and their impact. The absence of this priority hinders their ability to demonstrate and improve value by examining the outcomes of previous activities. Another oversight is the lack of an audience profiling tool in nearly 9 in 10 organizations — especially considering North American organizations' emphasis on engaging employees effectively.

Once again, the region scored worse than others in most of these areas. Although, arguably, a lack of planning documents is common to organizations worldwide.

Providing line of sight

The struggles of internal communicators to define their own strategy may be diminishing the effect of their activities on the frontline's grasp of the business strategy. Only about 2 in 5 employers (39%) believe their employees have an "excellent" or "good" understanding of the organization's long-term strategy — and about the same proportion (37%) think staff understand how they contribute to it.

Just 28% say employees have a solid understanding of the reasons behind senior leaders' decisions. This score is five points higher than the rest of the globe — suggesting North America is more effectively communicating top-down messages.

Despite these low scores, around two-thirds (64%) say employees understand their organization's vision, which is encouraging. In addition, around half understand its performance (53%) and short-term business plan (48%).

CURRENT INTERNAL COMMUNICATION RESOURCES

	North America	Global
Written annual communication plan that identifies key IC activities	44%	50%
Channel framework that describes IC channels' purpose, audience and measurement	31%	41%
Written value proposition for internal communication	31%	29%
Regular dashboards or reports on IC activities and their impact	27%	34%
Written IC strategy covering a period of more than one year	27%	33%
Audience profiling tool that describes internal audiences	13%	14%
None of the above	31%	21%

MAIN BARRIERS TO SUCCESSFUL INTERNAL COMMUNICATION

	North America	Global
Ineffective internal technology or legacy-system issues	53%	54%
Poor line manager communication skills	51%	56%
Hard-to-reach employees	51%	45%
Lack of budget, investment or other resources	49%	44%
Too much employee communication or too little time for employees to read what they receive	44%	45%
No IC involvement in strategic business decisions	44%	43%
Disengaged staff	41%	37%
Unclear organizational strategy	36%	35%
Lack of support from senior leaders	26%	29%
Lack of structure or organization within the IC team	18%	13%
Lack of skills within the IC team	17%	13%
Too many internal communication channels	16%	12%

Barriers to success

Interestingly, the biggest barrier to IC success for North American practitioners is ineffective internal technology or legacy-system issues (53%). Globally, this is a sticking point for a similar proportion, but it ranked second behind poor line manager communication skills. Within the region, managers' inadequate communication skills share the number two spot on the list of challenges with hard-to-reach employees.

Hard-to-reach employees — due to geographic dispersion or lack of technology access — are a major challenge for 51% of North American organizations, compared to 45% worldwide. Possibly, this finding explains why some communications, particularly messages about strategy, aren't clearly understood.

Considering the difficulties line managers confront in reaching employees face-to-face — coupled with bridging physical distances through digital channels — it's really no wonder that 41% of staff are disengaged.

Other issues IC practitioners face relate to resources and team structure. Nearly half (49%) lack a budget, investment or other resources, and 18% — one-third more than all global respondents — experience an unclear IC team structure. Also, 44% are excluded from business decisions and 26% lack senior leaders' support. All in all, these results indicate that the relationship between internal communications and the C-suite could be improved.

Outlook for 2018

Three priorities for 2018 that stand out in particular are cited by more than half of respondents. The first is communicating the organizational strategy, values and purpose (58%), which coincides with the negative ratings of how well employees understand these topics. The second is an ambition to improve digital channels (53%). This is consistent with feedback that technology limits the success of IC activities, because currently available resources don't support communication objectives.

The third biggest priority is enhancing leadership communication (51%). Even though this goal is more important to North American practitioners than global respondents, organizations in the region tend to be less involved in increasing the visibility of senior leaders to employees. If the regional IC practitioners do take the opportunity to strengthen ties with senior leaders and empower them to better communicate — they'll strongly position themselves to achieve the significant shift they want.

While leadership communication is a clear focus for the year, line manager communication is a priority for just 30%. This is a significant oversight, given the fact that half of IC practitioners report a lack of communication skills among this group as a barrier to success. On the flip side, a positive sign is that 40% place a high value on improving measurement and evaluation of IC activities — making it the fourth most important objective. And coming in fifth is the need to develop an IC strategy or refresh the existing one (38%). These results bode well for the development of an informed and strategic outlook in the years beyond 2018.

Other important priorities include supporting a change and transformation program (30%), building or restructuring the IC function (27%), and upskilling the IC team (25%). They also help reinforce a focus on the future that supports long-term IC success.

TOP IC PRIORITIES IN 2018

	North America	Global
Communicating strategy	58%	64%
Improving digital channels	53%	53%
Enhancing leadership communication	51%	46%
Improving measurement	40%	36%
Developing or refreshing an IC strategy	38%	37%
Supporting a change and transformation program	30%	38%
Enhancing line manager communication	30%	33%
Building or restructuring the IC function	27%	25%
Upskilling IC practitioners or team	25%	22%
Developing a business case for more IC resources	15%	11%
Introducing an enterprise social network	13%	10%
Improving face-to-face communication	9%	18%
Improving print channels	1%	3%

Leader and line manager communication

Leaders and managers with direct reports serve very important internal communication roles. Among executive team members, senior leaders and line managers, the latter group ranks highest in visibility. Almost all survey respondents (98%) report that line managers hold team meetings at least monthly.

Senior leaders are not too far behind line managers in terms of visibility. Eighty-nine percent (89%) say leaders are "very" or "reasonably" visible to employees. In contrast, only 60% believe executives have this level of visibility — a finding that's remarkably similar to the proportion of internal communicators who are "very" or "usually" involved in making leaders more visible and accessible to employees.

> Most respondents consider executive team members and senior leaders "excellent" (55%) or "good" (45%) communicators, but only 17% of line managers received these same high marks.

What's interesting is that internal communicators who claim an advanced use of social channels (i.e., they have several established, widely used channels) are much less likely to score executive visibility poorly. Only 11% of this segment say that executive team members are "not very" visible, compared to 44% that have no or limited social channels.

With respect to views on the communication skills of leaders and managers — the tables are turned. Most respondents consider executive team members and senior leaders "excellent" (55%) or "good" (45%) communicators, but only 17% of line managers received these same high marks. Globally, these managers also rank well below leadership at an average of 25%.
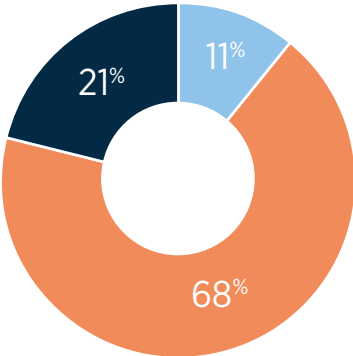
These results echo related feedback about the challenge posed by line managers' lack of communication skills. With just 3 in 10 respondents prioritizing line manager communication in 2018, there's a need for many employers to reconsider.

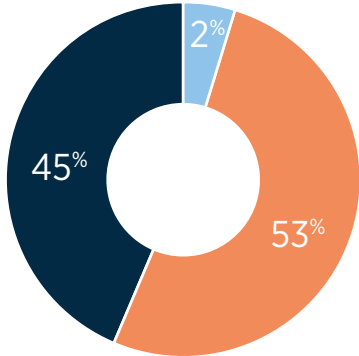**EMPLOYEE VIEWPOINT ON THE VISIBILITY AND APPROACHABILITY OF LEADERS AND LINE MANAGERS**

■ Very ■ Reasonably ■ Not very
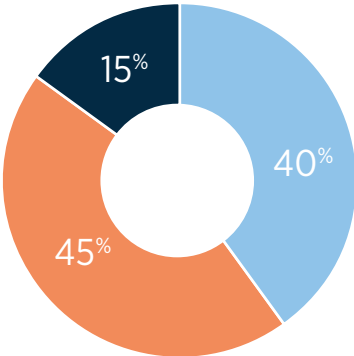
Executive team members	Senior leaders	Line managers
15% / 45% / 40%	21% / 68% / 11%	45% / 53% / 2%

A look at how internal communicators engage with their audiences reveals an unexpected level of consistency in channels used for leaders and line managers. Because the channels align so closely, it only makes sense to question just how much these audiences are considered very different groups with very specific communication needs. This doubt becomes even more relevant in light of the finding that few have any channels that specifically target senior leaders (14%) or line managers (18%).
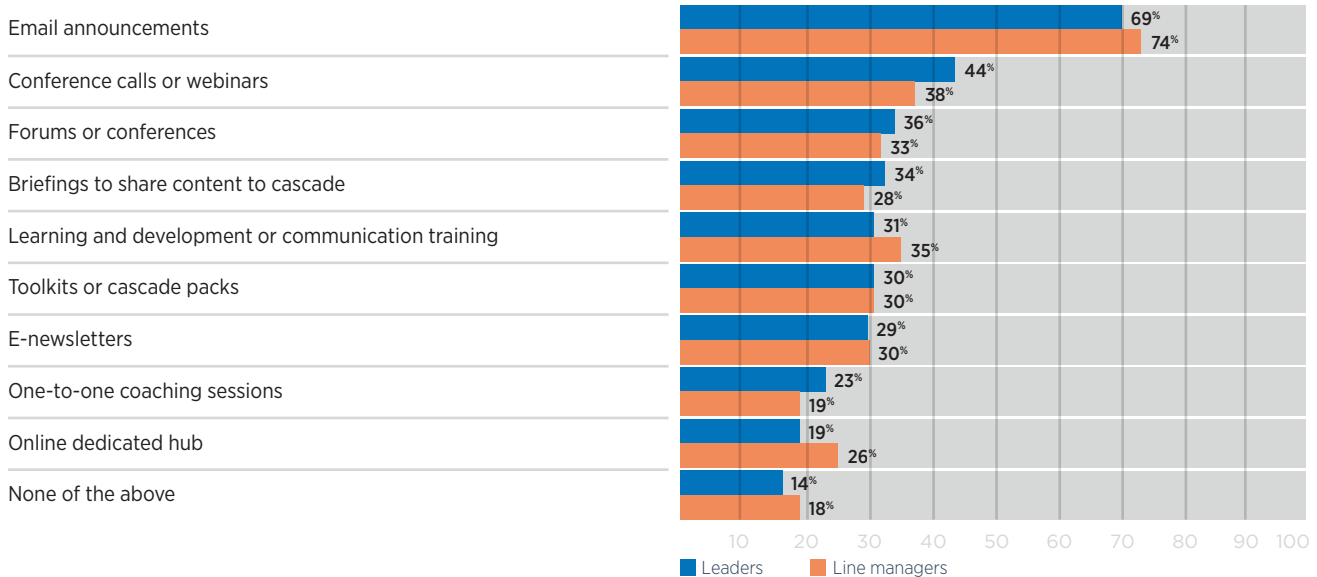
Email announcements are the top channel for targeting both leaders (69%) and line managers (74%). And conference calls and webinars are a distant second (44% for leaders and 38% for line managers).

The use of other channels deviates slightly. While forums and conferences are the third most popular options for targeting leaders (36%), communication training is a key tactic for reaching line managers (35%). Face-to-face methods are used more for leaders, including briefings on sharing cascade content (34%) and one-to-one coaching sessions (23%). And line managers receive more digital communications like e-newsletters (30%) and dedicated online hubs (26%).

Email announcements are the top channel for targeting both leaders (69%) and line managers (74%). And conference calls and webinars are a distant second.

CHANNELS USED TO TARGET SENIOR LEADERS AND LINE MANAGERS

Channel	Leaders	Line managers
Email announcements	69%	74%
Conference calls or webinars	44%	38%
Forums or conferences	36%	33%
Briefings to share content to cascade	34%	28%
Learning and development or communication training	31%	35%
Toolkits or cascade packs	30%	30%
E-newsletters	29%	30%
One-to-one coaching sessions	23%	19%
Online dedicated hub	19%	26%
None of the above	14%	18%

10 20 30 40 50 60 70 80 90 100

■ Leaders   ■ Line managers

Channels

Face-to-face channels

Decades of academic research — and responses to this survey — have underlined the importance and effectiveness of face-to-face communication in the workplace. At least two-thirds of respondents find 9 of the 12 channels analyzed effective. Conferences and seminars open to all employees received an 88% vote of confidence, and those dedicated to senior leaders and managers netted a 76% positive rating.

Productive channels also include events and other opportunities to connect more directly with senior leaders and line managers. Examples are road shows for interfacing with leaders (73%) and team meetings for interfacing with line managers (76%). Employee forums or work councils that allow colleagues to talk with union representatives are the least promising — ranked "not particularly" or "not at all" effective by 47%.

Web and conference calls are also highly favored — indicating that face-to-face/digital hybrids serve the purpose just as well as channels that are purely face-to-face.

The challenge that comes with these positive results is the considerable time and money that face-to-face communications require. Because of this deterrent, usage rates are remarkably low compared to effectiveness scores. Just 3 of the 12 channels are used by more than two-thirds of respondents — including team meetings with line managers (80%), conferences and seminars for managers or senior leaders (73%), and senior management site visits (68%). And only half of organizations hold conferences and seminars for their entire workforce, even though this option ranks as the most effective. The number of employers that choose road shows with senior leaders is only slightly higher at 56%.

EFFECTIVENESS OF FACE-TO-FACE CHANNELS

Channel	Very effective	Quite effective	Not particularly effective	Not effective at all	USE
Team meetings with line managers	9%	67%	24%	0%	80%
Conferences and seminars with managers or senior leaders	16%	60%	22%	2%	73%
Senior management site visits	22%	46%	28%	4%	68%
Web or conference calls with managers or senior leaders	12%	59%	21%	8%	61%
Informal get-togethers or drinks	9%	57%	32%	2%	59%
Road shows with senior leaders	22%	51%	27%	0%	56%
Web or conference calls with all employees	7%	66%	23%	4%	55%
Ambassadors or communication champions	14%	43%	41%	2%	53%
Conferences and seminars with all employees	13%	75%	12%	0%	50%
Roundtable sessions or lunch with senior leaders	25%	40%	33%	2%	50%
Listening sessions or focus groups	10%	49%	36%	5%	49%
Employee forum or work councils	6%	47%	44%	3%	45%

Legend: ■ Very effective ■ Not particularly effective ■ Quite effective ■ Not effective at all
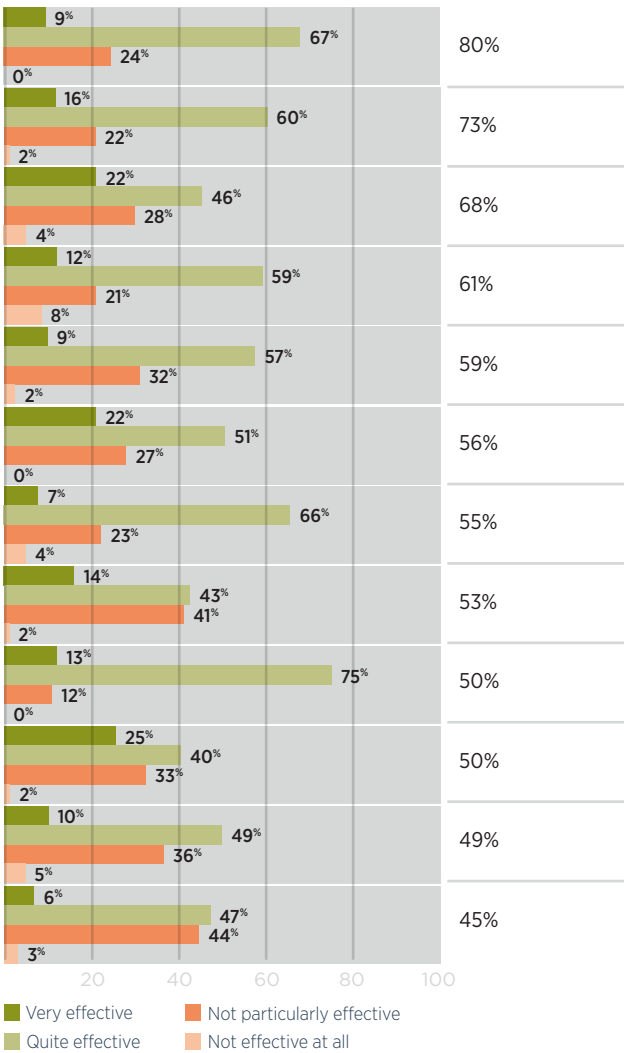
Digital channels

Compared to face-to-face options, digital channels are used far more frequently — 5 of the 14 measured in the study are used by over two-thirds. As expected, the most popular are email announcements (96%) and intranets (88%).
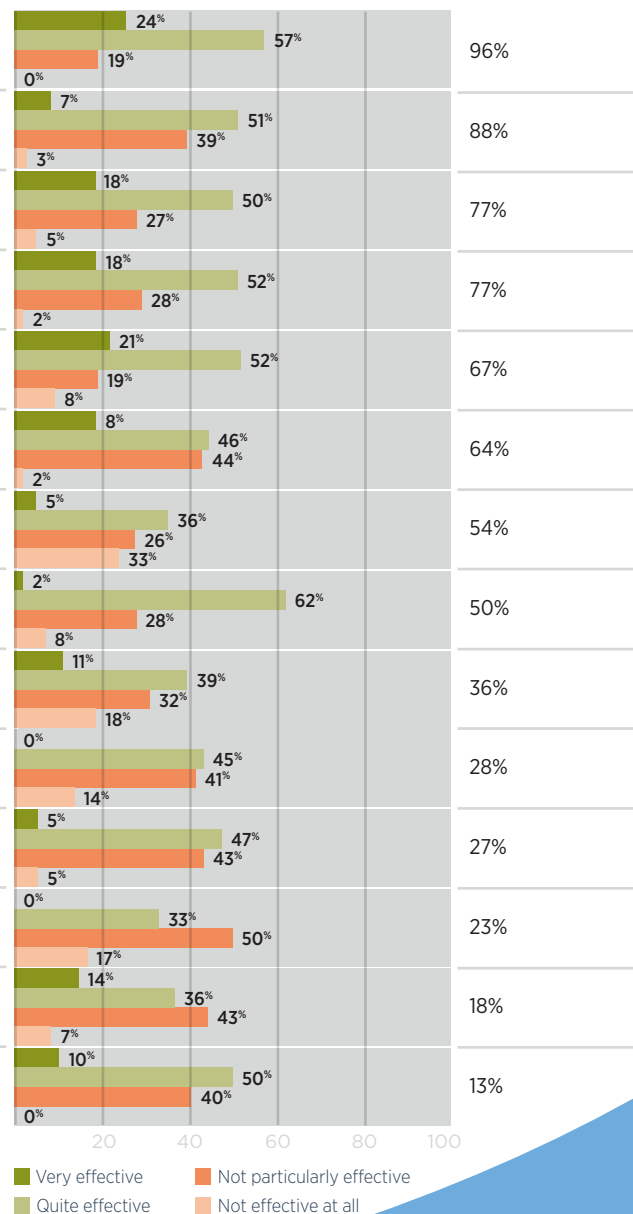
That said, many recent innovations are used only sporadically, demonstrating the huge disparities in the digital space. Just 13% of employers use chatbots — a relatively new innovation — and under a quarter (23%) take advantage of mobile apps.

Effectiveness of digital channels also varies substantially. There's a welcome synergy with email announcements that are not only the most frequently used channel, but also "very" or "quite" effective for 81%. On the other hand, while just 33% find mobile apps effective — chatbots have begun to prove their worth. Among chatbot users, 60% rate them effective.

One important insight to note is that many internal communicators are strongly committed to newer, more innovative channels — even though they're unproven. Within the next 12 months, two-thirds intend to increase their use of mobile apps and chatbots, and a similar proportion (62%) expect to favor more videos. Enterprise social networks are also quite popular with 56% planning for greater use.

Trending in the other direction, a decrease is expected in traditional channels like email (20%) and e-newsletters (9%). Although, their dwindling prospects for the future make them the most unpopular channels.

EFFECTIVENESS OF DIGITAL CHANNELS

Channel	Very effective	Quite effective	Not particularly effective	Not effective at all	USE
Email announcements	24%	57%	19%	0%	96%
Intranets	7%	51%	39%	3%	88%
Videos	18%	50%	27%	5%	77%
Electronic newsletters	18%	52%	28%	2%	77%
Instant messaging	21%	52%	19%	8%	67%
Plasma or LCD screens (digital signage)	8%	46%	44%	2%	64%
Enterprise social networks (Yammer, Jive, Workplace by Facebook, etc.)	5%	36%	26%	33%	54%
Blogs	2%	62%	28%	8%	50%
Online discussion forums	11%	39%	32%	18%	36%
Extranets or external employee websites	0%	45%	41%	14%	28%
Internal TV or internal video channels	5%	47%	43%	5%	27%
Mobile apps	0%	33%	50%	17%	23%
Podcasts	14%	36%	43%	7%	18%
Chatbots	10%	50%	40%	0%	13%

Legend:
- Very effective
- Quite effective
- Not particularly effective
- Not effective at all

A look at the digital channels accessible to employees in North America may offer some insight into why there's a shift toward more innovative IC options. These channels tend to be mobile-enabled — and 59% of IC practitioners allow employees to use their personal mobile devices for access. This option is currently less common elsewhere, for example, in the U.K. (38%) and mainland Europe (29%).

Office desktops and laptops still remain very popular, with 94% of North American organizations giving their employees access to organizational communications. However, staff are encouraged — to a far greater extent than other workers worldwide — to use mobile means to connect.

While North America is embracing mobile communications more aggressively than the rest of the world, it has been slightly slower in hopping on the Office 365 bandwagon. Nearly 2 in 5 (42%) currently have this technology (48% globally), while one-third have no plans to implement Office 365 (one-quarter globally).

USAGE OF DIGITAL CHANNELS

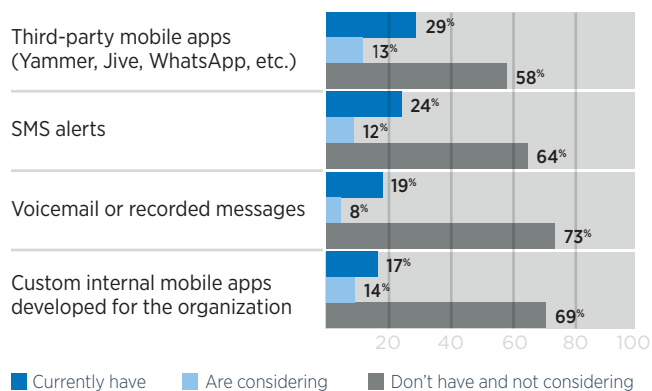|	Expected use in 2018			Current use
	Increase	Keep the same	Decrease	
Mobile apps	67%	33%	0%	23%
Chatbots	67%	28%	5%	13%
Videos	62%	38%	0%	77%
Blogs	60%	40%	0%	50%
Enterprise social network (Yammer, Jive, Workplace, etc.)	56%	42%	2%	54%
Podcasts	56%	37%	7%	18%
Intranet	51%	49%	0%	88%
Online discussion forums	45%	53%	2%	36%
Internal TV or internal video channel	42%	58%	0%	27%
Plasma or LCD screens (digital signage)	38%	60%	2%	64%
Electronic newsletters	28%	63%	9%	77%
Extranet or external employee website	26%	70%	4%	28%
Instant messaging	18%	78%	4%	67%
Email announcements	10%	70%	20%	96%

Mobile communications

Taking the North American practitioner's appetite for mobile communications into account, the performance of certain mobile channels was somewhat unexpected. Under one-third of respondents work with any of the channels surveyed, and the least used option is custom mobile apps (17%).

Channel effectiveness ratings are also fairly low. Among the channels surveyed, 3 in 4 are effective for less than one-third, and even the most effective — SMS alerts — are effective for only 58%.

Suffice it to say that despite internal communicators' best intentions to drive the use of mobile communications in the workplace, there's still a lot of work to do.

MOBILE COMMUNICATION CHANNELS CURRENTLY IN USE (BUSINESS OR PERSONAL DEVICES)

Third-party mobile apps (Yammer, Jive, WhatsApp, etc.)
- 29%
- 13%
- 58%

SMS alerts
- 24%
- 12%
- 64%

Voicemail or recorded messages
- 19%
- 8%
- 73%

Custom internal mobile apps developed for the organization
- 17%
- 14%
- 69%

■ Currently have ■ Are considering ■ Don't have and not considering

EFFECTIVENESS OF MOBILE COMMUNICATIONS

|	In use and very effective	In use but not very effective
SMS alerts	58%	42%
Custom internal mobile apps developed for the organization	31%	69%
Third-party mobile apps (Yammer, Jive, WhatsApp, etc.)	30%	70%
Voicemail or recorded messages	27%	73%

Social channels

Social channels did not perform much better than their mobile counterparts. In fact, in many cases they scored much worse.

Only 1 in 10 organizations (12%) have social channels that large segments of the employee population use. In fact, 46% report that fewer than half of their employees take advantage of existing channels. A sizable 22% — more than the global percentage — don't have any social channels.

Most IC practitioners that offer social channels rate adoption success as unsatisfactory. Just 2% report participation as "excellent" (7% globally) and 21% as "good" (28% globally). About one-third (36%) agree that social channel use within their organization is poor.

> Just 12% of employers have social channels used by large segments of the employee population. In fact, 46% report that less than half of their employees take advantage of existing channels.

CURRENT LEVEL OF SOCIAL CHANNEL USE

North America

- 12%
- 22%
- 20%
- 46%

Global

- 14%
- 16%
- 19%
- 51%
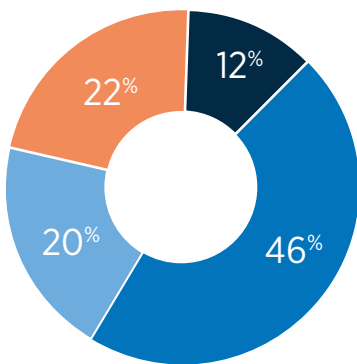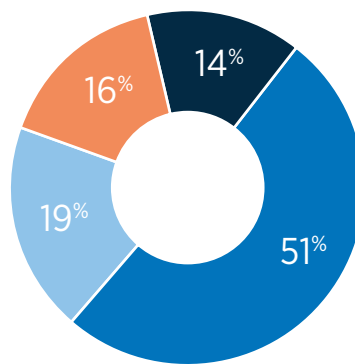
Advanced — a number of social channels are in place, and used by a large percentage of employees

Limited — the 1 or 2 social channels that exist are used by less than half of employees

Embryonic — no social channels exist, but there are plans to add one or more within 12 months

Non-existent — no social channels exist, and there are no immediate plans to add any

SUCCESS RATE OF SOCIAL CHANNEL ADOPTION

North America

- 2%
- 21%
- 41%
- 36%

Global

- 7%
- 28%
- 42%
- 23%
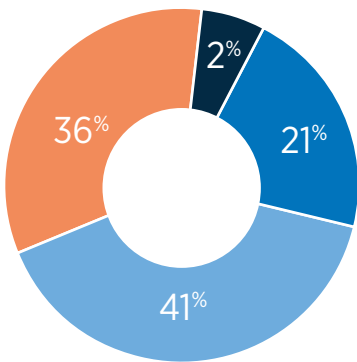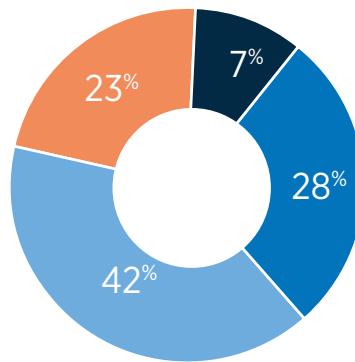
- Excellent
- Good
- Average
- Poor

SharePoint is the social channel most frequently used by employers. A decisive 59% of those equipped with social channels have this platform. Although Yammer comes in second, it has a far lower usage rate of 36%. This rate registers considerably below the global average of 49%, and puts Yammer on similar ground with Twitter that's used by 32%.

Other channels like Chatter, Workplace by Facebook and Google+ are far less popular, with only around 1 in 20 organizations using them. Regardless of channel name visibility, it's questionable whether employees recognize these tools as helpful. Just one-third of internal communicators (34%) believe social channels are an integral part of their organization's IC channel framework. And while 72% agree that these channels are used well within specific areas of their organization — a miniscule 9% think they're a resounding success.

Feedback points to a few potential explanations for these different perspectives. For one thing, slightly more than 2 in 5 organizations (41%) say employees understand the purpose of social channels, and only 11% agree senior leaders are active users. Also, merely 39% report these channels are structured or managed by the IC function. This viewpoint indicates that — in many cases — the channels are launched by IT to fill a functionality gap. When the IC team isn't involved, the creation and promotion of content for these channels can be ignored.

SOCIAL CHANNELS CURRENTLY IN PLACE

	North America	Global
SharePoint	59%	56%
Yammer	36%	49%
Twitter	32%	25%
Internally branded or purpose-built social platform	18%	22%
Slack	14%	9%
Jive	11%	9%
Google+	7%	7%
Chatter (Salesforce)	5%	11%
Workplace by Facebook	5%	5%

ORGANIZATION'S PERSPECTIVE ON SOCIAL CHANNELS

Use successfully in specific areas of the organization
Strongly agree: 11%
Agree: 61%
Disagree: 21%
Strongly disagree: 7%

Plan to invest in or grow internal social channels
Strongly agree: 11%
Agree: 46%
Disagree: 34%
Strongly disagree: 9%

Rely on IC function to structure or manage social channels
Strongly agree: 9%
Agree: 30%
Disagree: 43%
Strongly disagree: 18%

Serve as an integral part of the internal communication channel framework
Strongly agree: 4%
Agree: 30%
Disagree: 48%
Strongly disagree: 18%

Have a clear purpose
Strongly agree: 2%
Agree: 41%
Disagree: 43%
Strongly disagree: 14%

Employees understand the intended use
Strongly agree: 2%
Agree: 39%
Disagree: 50%
Strongly disagree: 9%

Have demonstrated value
Strongly agree: 2%
Agree: 23%
Disagree: 59%
Strongly disagree: 16%

Receive support from, and active use by senior leaders
Strongly agree: 2%
Agree: 9%
Disagree: 64%
Strongly disagree: 25%

Have been a resounding success within the organization
Strongly agree: 2%
Agree: 7%
Disagree: 57%
Strongly disagree: 34%

■ Strongly agree ■ Agree ■ Disagree ■ Strongly disagree
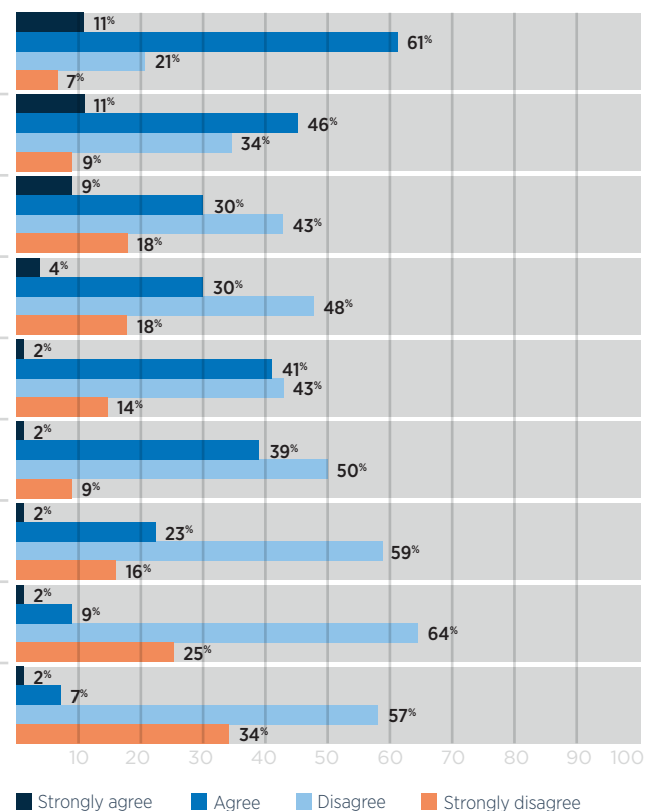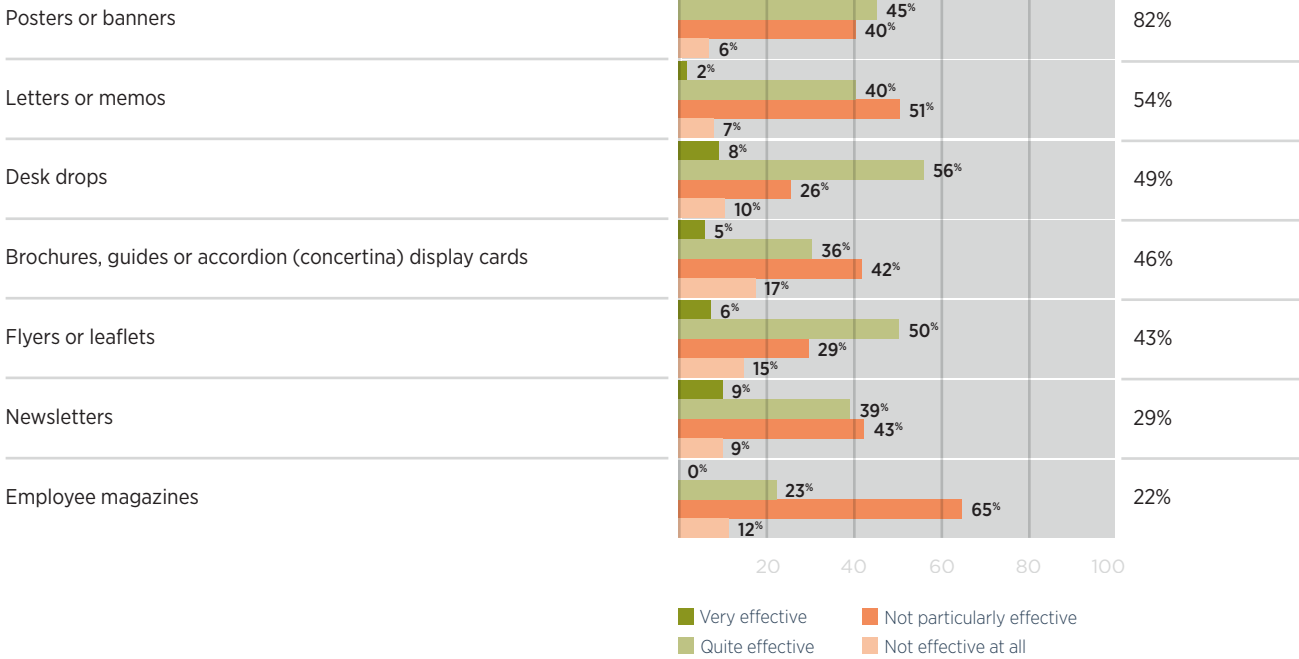
Print channels

Internal communicator feedback on print use makes clear that this option isn't the highest performer in organizations' channel frameworks. Rates are mixed with slightly over half using only two forms of print. Posters and banners are the most prevalent (82%), but they're only the third most effective with 54% viewing them positively.

What's interesting is that smaller scale examples of print are considered more effective — including flyers and leaflets

(56%) as well as desk drops (64%). However, these channels are used by just 43% and 49%, respectively.

Practitioners in North America have less regard for wordier, news-focused print formats. Only 29% use newsletters and 22% opt for communicating through employee magazines.

EFFECTIVENESS OF PRINT CHANNELS

Channel	Very effective	Quite effective	Not particularly effective	Not effective at all	USE
Posters or banners	9%	45%	40%	6%	82%
Letters or memos	2%	40%	51%	7%	54%
Desk drops	8%	56%	26%	10%	49%
Brochures, guides or accordion (concertina) display cards	5%	36%	42%	17%	46%
Flyers or leaflets	6%	50%	29%	15%	43%
Newsletters	9%	39%	43%	9%	29%
Employee magazines	0%	23%	65%	12%	22%

Legend:
- ■ Very effective
- ■ Quite effective
- ■ Not particularly effective
- ■ Not effective at all

Listening and measuring impact

Feedback channels

As noted earlier, encouraging two-way dialog between employees and other groups within the organization is a key part of the IC role for three-quarters of practitioners in North America. Effective feedback channels also play a central role in improving employee engagement.
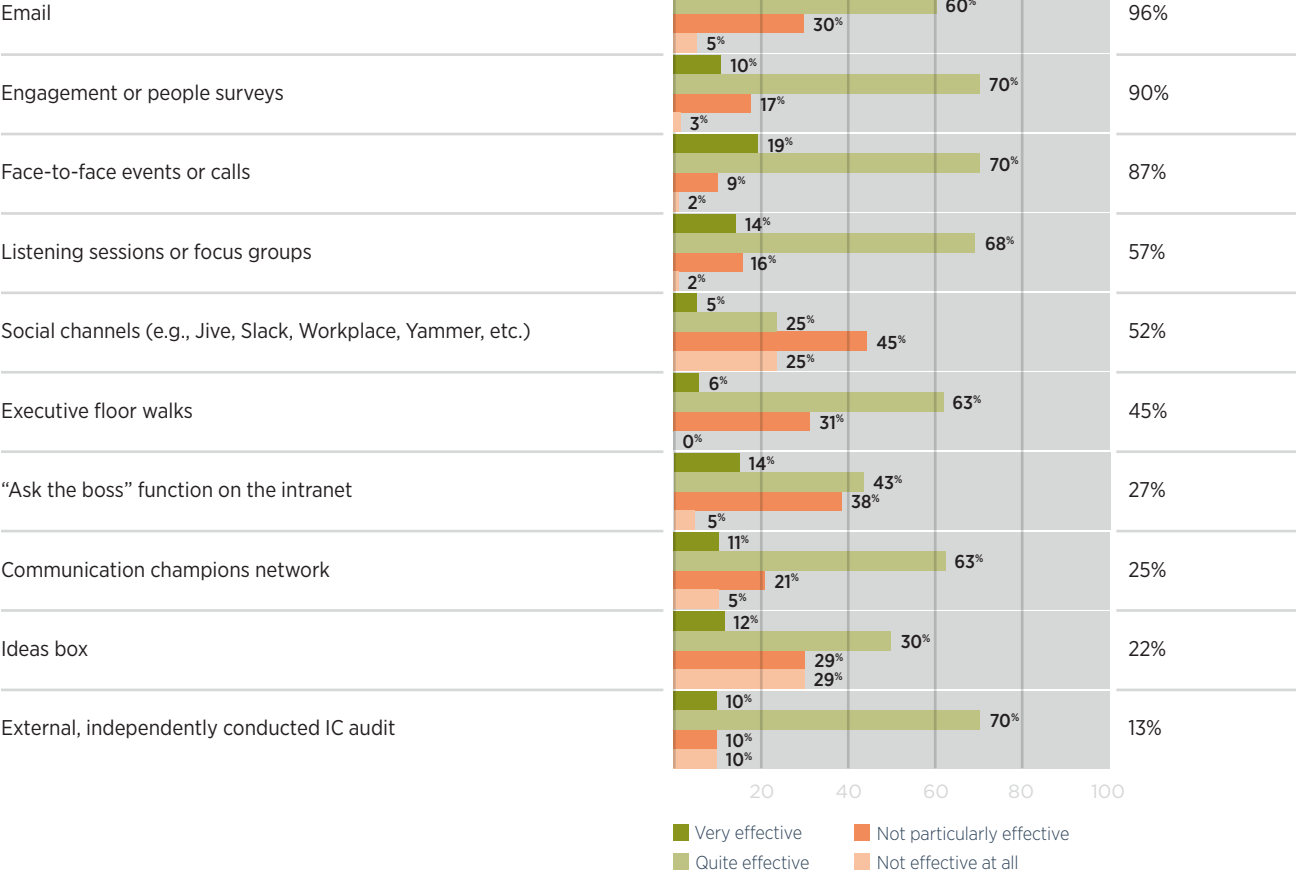
Running counter to these priorities, relatively few feedback channels are widely used — over two-thirds of organizations take advantage of just three of the channels surveyed. Email is the most frequently employed feedback mechanism (96%), followed by engagement surveys (90%) and face-to-face events or calls (87%).

Face-to-face and voice-to-voice interactions are most effective for sharing feedback, and receive high marks

from 89%. Although listening sessions and focus groups are second, 43% of organizations don't provide these opportunities. Independently conducted IC audits are another highly impactful tactic with an 80% positive rating — but a scant few reap the benefits because most haven't performed one.

Overall, the data shows that face-to-face feedback channels deliver the best results, while digital options are the most widely used. This finding suggests that even though IC practitioners invest plenty of time and effort in enabling two-way communications, their organization's feedback models need attention. To truly unlock the employee voice — some fine-tuning is probably in order.

EFFECTIVENESS OF FEEDBACK CHANNELS **USE**

Channel	Very effective	Quite effective	Not particularly effective	Not effective at all	Use
Email	5%	60%	30%	5%	96%
Engagement or people surveys	10%	70%	17%	3%	90%
Face-to-face events or calls	19%	70%	9%	2%	87%
Listening sessions or focus groups	14%	68%	16%	2%	57%
Social channels (e.g., Jive, Slack, Workplace, Yammer, etc.)	5%	25%	45%	25%	52%
Executive floor walks	6%	63%	31%	0%	45%
"Ask the boss" function on the intranet	14%	43%	38%	5%	27%
Communication champions network	11%	63%	21%	5%	25%
Ideas box	12%	30%	29%	29%	22%
External, independently conducted IC audit	10%	70%	10%	10%	13%

Legend: Very effective · Quite effective · Not particularly effective · Not effective at all

Impact measurement

It was previously established that few IC practitioners take a strategic approach to measuring communication outcomes — and findings show the limits of impact measurement in North America.

Three core challenges to measuring and analyzing internal communication still need attention:

1. Unclear measurement benefits — impact measurement brings a wealth of knowledge to both the IC function and the organization as a whole. Findings make it possible for practitioners to learn from past activities and demonstrate outcome value to senior leaders. However, the survey data suggests that the benefits of this practice aren't clear to everyone — with 12% not measuring impact at all.

2. Lack of IC measurement tools — in order for IC functions to fully prove their value to the organization, they need their own measurement tools. Right now, employee engagement surveys — typically managed by human resources — are one of the most widely used tools to determine the impact of internal communication (64%). Only two-thirds as many respondents use IC audits or surveys.

3. Underuse of holistic, integrated and comprehensive measurement — impact measurement needs to be a holistic activity that's baked into every communication, and should combine richer, qualitative data with quantitative data whenever possible. Yet most organizations take a strictly metrics-based approach. The most frequently used channels are intranet or online analytics (68%), email (52%) and social media metrics (40%). While they provide worthwhile information — and may not be used enough — a better balance between quantitative and qualitative measurement techniques would add value through broader and deeper insights.

Few IC practitioners approach measurement strategically — and three core challenges to measuring and analyzing internal communication still need attention.

METHODS OF MEASURING INTERNAL COMMUNICATION IMPACT

	North America	Global
Intranet or online analytics (page views, etc.)	68%	68%
Employee engagement survey	64%	69%
Email statistics	52%	44%
Pulse surveys	43%	43%
Social media metrics (number of comments, "likes," etc.)	40%	38%
Feedback from face-to-face events	38%	55%
Internal IC audit or survey (run within the past 3 years)	32%	34%
Feedback from communication champions	13%	23%
External IC audit or survey (run by an agency within the past 3 years)	9%	14%
Impact not measured	12%	12%

Budget and resources

Apart from the 43% of organizations that have dedicated IC practitioners, there's a sizable majority that have anywhere from 1 to 5 (54%) or none (1 in 10). It's also rare to find a dedicated IC team of more than 10 people — even in the biggest, most complex organizations.

Looking at IC budgets, 53% don't know how much money their organization invests in internal communication. Although this implies that many internal communicators are kept in the dark about financial resources, there's reason for hope. If practitioners — as planned — strengthen their ties with senior leaders and prove their team's ability to support the business strategy, the situation could improve over the next year.

Among respondents that know their IC budget, one-third have no funds. Amounts available to those that are funded range from less than $14,000 (almost one-quarter), to $14,000 to $335,000 (26%), to more than $335,000 (20%).

There's not much speculation among respondents that IC budgets will improve. Almost half (49%) believe their budget will remain the same over the next 12 to 18 months, and 22% are uncertain what direction it will take. Just 29% think their budget will either increase (17%) or decrease (12%) — a sign that relatively little change is anticipated when it comes to resourcing.

> 53% don't know how much money their organization invests in internal communication.

NUMBER OF DEDICATED, FULL-TIME INTERNAL COMMUNICATORS

Organization size	North America	Global
50–249	1	1
250–499	1	1
500–999	1	2
1,000–2,499	2	3
2,500–4,999	3	4
5,000–9,999	5	6
10,000–49,999	8	8
50,000+	11	16

AVERAGE SPEND ON INTERNAL COMMUNICATION

Organization size	Lowest	Highest
50–249	$14,000	$35,000
250–499	$14,000	$35,000
500–999	$32,000	$71,000
1,000–2,499	$87,000	$187,000
2,500–4,999	$87,000	$187,000
5,000–9,999	$87,000	$187,000
10,000–49,999	$401,000	$750,000
50,000+	$401,000	$835,000

CHANGE TO INTERNAL COMMUNICATION BUDGET EXPECTED IN THE NEXT 12 TO 18 MONTHS

North America: 17% Increase, 12% Decrease, 49% Remain the same, 22% Don't know

Global: 18% Increase, 20% Decrease, 40% Remain the same, 22% Don't know
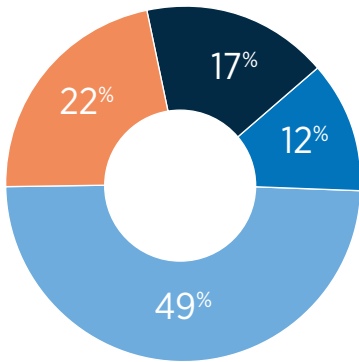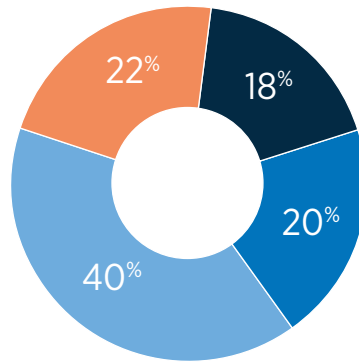
Legend:
- Increase
- Decrease
- Remain the same
- Don't know

North America

Global

Conclusions

Closing thoughts on the most important trends affecting North America's internal communication sector

1. Internal communication — a low priority?

One of the first surprises uncovered in the 2018 research is the finding that just 43% of respondents are dedicated to internal communication alone. Most practitioners combine IC and other responsibilities in North America (57%) — and to a lesser extent — worldwide (43%).
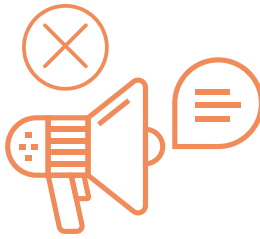
Other responsibilities outside of internal communication most often include external communication, public relations and marketing — and a smaller proportion are also involved with HR. For 86%, internal communication is part of a broader department such as corporate affairs, marketing or HR. Entirely on its own, this integration should drive consistency across both internal and external communications — but 51% disagree this is the case.

Many organizations have few or no planning documents in place, and this lack of strategic structure could mean that internal communication isn't a priority. Instead, this function may be subject to far more tactical work — slotted in around other responsibilities that don't include strategic thinking.

2. Impact measurement is lacking

In keeping with global findings, North American IC practitioners are not prioritizing IC impact measurement. Some don't measure their communication effectiveness at all (12%), or limit their efforts to regular reports on the impact of activities (27%).

Among organizations that do measure impact, many use techniques that are relatively simplistic, output-based models — including online analytics and email statistics. Meanwhile, the opportunity to reap the benefits of rich, qualitative data are often bypassed. Just 9% have completed an IC audit with the help of an external agency in the past three years. This makes it very difficult to demonstrate outcomes and added value.

Face-to-face channels are undoubtedly one of the best for allowing employees to have their say on what's working for them in the workplace — and what isn't. Yet usage is very low. For example, while 89% of North American internal communicators see face-to-face events and calls as an effective feedback channel, only 38% measure impact this way. In the years ahead, practitioners should eagerly pursue this opportunity. It empowers organizations to gather meaningful, actionable insights into the effectiveness of internal communications.

3. Messages — just a tap of the finger away

The future looks bright for mobile in North America, where internal communicators embrace this option more fully than the rest of the world. Even though just 23% use mobile apps, 59% allow employees to use their personal devices to access organizational communications through digital channels. In North America, this practice is far more common compared to the U.K. (38%) and Europe (29%).

Equally worth noting is that 67% of North American internal communicators intend to increase their use of mobile apps over the next 12 months. This bodes well for more fully realizing the benefits of mobile apps and increasing the ability of employees to access communications from personal mobile devices. While this type of technology is slow to implement, it will be interesting to see — a year from now — how many internal communicators deliver against their target for mobile apps. And most important, just how their progress impacts internal communication and employee engagement.

Content is undeniably a big factor in the success of communications — but the delivery channels for messages also matter. Supporting organizational growth means looking closely at technology and asking what opportunities it offers to make the workplace work better.

4. Ties with senior leaders are an area for concern

Internal communicators in North America highlight leadership communication as the third biggest priority for 2018. Unlike Europe where just 2 in 5 share this sense of importance, over half (51%) of North American IC practitioners are targeting leadership communication as an area for improvement over the next 12 months.
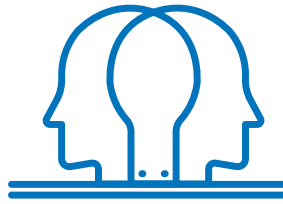
Currently, just over two-thirds of North American practitioners are involved in making leaders visible and accessible to employees — considerably fewer than the 4 in 5 in Europe. Yet a strong 89% of North American organizations say their senior leaders are visible, compared to 76% in Europe. This data suggests that internal communicators' plans to strengthen ties with senior leaders in 2018 may be misplaced. Arguably, it may be the IC functions themselves that draw the greatest benefit from building a relationship of trust with leadership. And this leads to the question of whether leadership support of internal communication will grow over the next year.

The effort is well worth the results. Building trust with employees supports their emotional wellbeing and empowers an organization to nourish relationships and partnerships.

5. Line managers continue to pose challenges

Few would argue with the focus on line manager communication as a key and ongoing area for improvement. Only 17% of IC practitioners consider line managers in their organizations effective communicators. And similar to global survey results, the communication skills of this management group are a barrier to successful communication in 51% of North American organizations. Consequently, this communication dilemma shares the number two spot as the most pressing barrier to success — second only to technology that doesn't fit the purpose of internal communication.

This finding is cause for concern because line managers are the most visible group to employees. Yet internal communicators don't seem fully awake to the extent of the issue. Fewer than 1 in 3 think that enhancing the ability of this management group to communicate is a priority. And even if they did see a greater need, communication channels designed to support line managers are very limited. Most channels target managers through digital means that favor email announcements as the top tool. And just one-third offer communication training for line managers.

The importance of managerial roles makes it clear that organizations must do more to engage this group — especially considering their tremendous influence on strengthening employee engagement. Treating line managers as a distinct and special audience is a first step. Despite the challenge, the value of the potential return creates plenty of room for optimism that internal communicators will begin to drive this change in the near future.

Connecting more effectively with line managers — whether through consistent two-way communication or other methods — can help them not only boost their team's engagement, but also more strongly engage in their own work. When this happens, in the process of making a better investment in their career, they also benefit the organization's wellbeing.

In a tight labor market, North American employers compete to attract and retain the right talent. Internal communication is a powerful discipline that can have a profoundly positive effect on these goals. Building and sustaining a culture that supports employee physical, emotional, career and financial wellbeing requires consistent, meaningful workforce communications. When they're deployed through channels and technology designed to meet the needs of today's multigenerational workforce, an organization can inspire employees to deliver their personal and professional best — in a workplace that stands out from the rest.

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