

State of the Sector *2019*

The definitive global
survey of the internal
communication profession

Vol.11





Internal and change communication

1 Vogans Mill Wharf,
17 Mill Street,
London, SE1 2BZ.

www.gatehouse.co.uk

Tel: **+44 (0) 20 7754 3630**

Email: **info@gatehouse.co.uk**

 **[@gatehousegroup](https://twitter.com/gatehousegroup)**



Gallagher
COMMUNICATION

HR, rewards and pensions communication

United Kingdom

Munitions House,
Ordnance Business Park, Midhurst Road,
Liphook GU30 7ZA.

Tel: **+44 (0) 1730 891212**

United States

1050 Crown Pointe Parkway, Suite 600
Atlanta, Georgia 30338

Tel: **+1 630-773-3800**

Canada

181 University Avenue, Suite 1200
Toronto, Ontario M5H 1W6

www.gallaghercommunication.com

Email: **sayhello@gallaghercommunication.com**

 **[@Gallagher_Comms](https://twitter.com/Gallagher_Comms)**

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Introduction

Last year was a busy one for Gatehouse, and especially for our research activities. After joining forces with Gallagher Communication, we put our new colleagues' skills and global connections to good use, and set about evolving our flagship research report, State of the Sector, to make it better than ever before.

At the beginning of 2018, we launched our tenth edition of State of the Sector. It was also the year of our first ever region-specific report, focusing on the way internal communication is managed in North America.

Ahead of our 2019 survey, we reviewed our questions and asked you — IC practitioners around the world — what you wanted to know. And followed by this, we celebrated receiving input from the largest, most global audience yet: over 820 responses from over 40 countries!

This means we start 2019 with a bang! You're now reading the introduction to the biggest and most insightful State of the Sector report since it was first launched.

There is a good reason we get so excited about data and insight at Gatehouse and Gallagher Communication. Taking numbers and extracting meaning from them gives people like yourself the information you need to refine your activities and better tailor them to your strategic objectives — whether those are your personal ones or your organisation's. Where external support is needed, data-led insights provide a business case to secure the additional buy-in. How much more convincing do you need?

We've tried to maximise the level of insight we're providing you with this year: we cover every facet of the internal communication and employee engagement profession, from challenges to priorities; from planning to measurement practices; and from resources to channels. Our single biggest hope for this year is that we see and hear about in-house practitioners taking heed of these insights and helping to drive the profession into the future. In the past, we've tried to put forward the case for becoming more insight-led in a

subtle manner, but we feel we've seen too little change in the 11 years since we began producing State of the Sector — so now we're being more explicit with our call to action.

If you have any great examples of progress made in your business as a result of data-led insights, we'd love to hear from you! Or, at the opposite end of the spectrum, if you're struggling to collect and make sense of data, we'd be happy to chat things through with you. In the meantime, we hope you'll find this overview of the profession useful and inspiring. Happy reading!



Ben Reynolds
Managing
Director



Lee Smith
Director

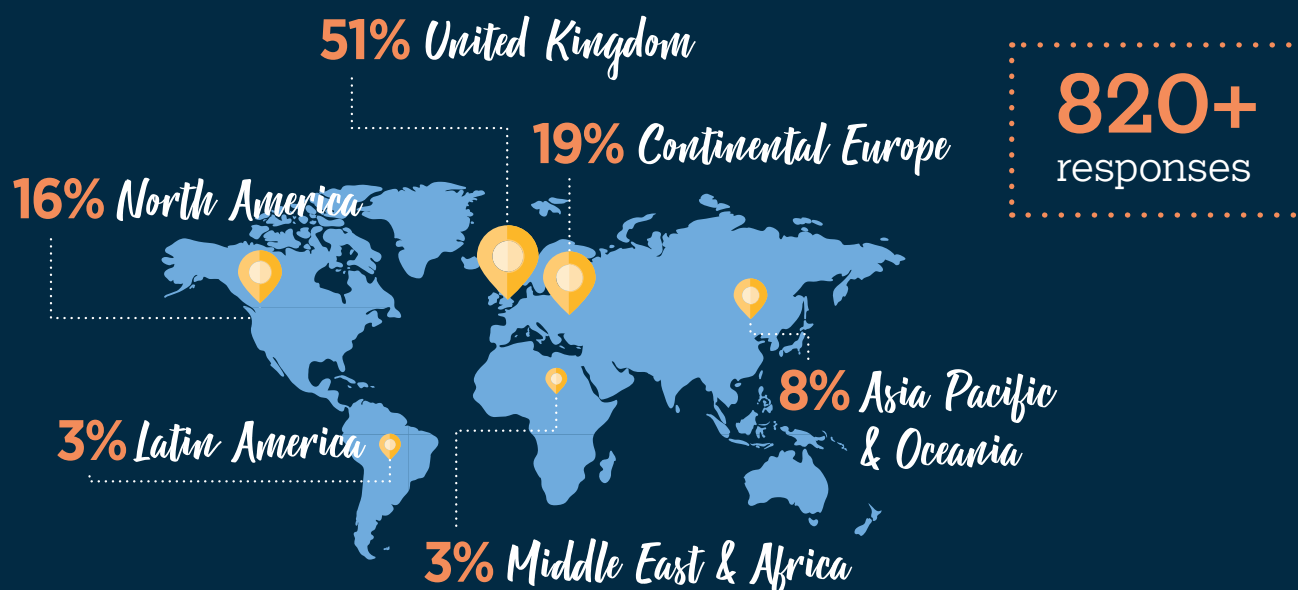


Simon Wright
Director



Survey *overview*

Location



Positioning of the internal communication team

This year, for the first time, over half (52%) of respondents declared that their internal communication function (IC) is a part of an integrated Corporate Communications, PR and Corporate Affairs team. This figure was just 30% back in 2015, so we have seen a significant shift here over the last three years. The second most common positioning for internal communication was within HR (22%), and this was closely followed by having IC sit within Marketing (14%). Based on these numbers, there is no doubt we are seeing the rise of the integrated communication function.

Interestingly, there was some variation across regions here: Corporate Communications, PR and Corporate Affairs teams are the norm in Asia Pacific, with 63% saying this is how their organisation is set up. In contrast, just 3 in 10 organisations in Latin America, the Middle East and Africa have structured their internal communication team in this way. And whilst it is most common for IC to sit within HR where there is no integrated Corporate Communications, PR and Corporate Affairs team, there is one exception to this rule: North America, where a quarter (24%) say internal communication sits within Marketing (compared with just 12% who say IC is a part of the HR function). This highlights potential differences in the maturity of internal communication around the world.

Industries



Top 5 industries by representation



Organisation size



Role



Purpose, priorities and challenges

Purpose

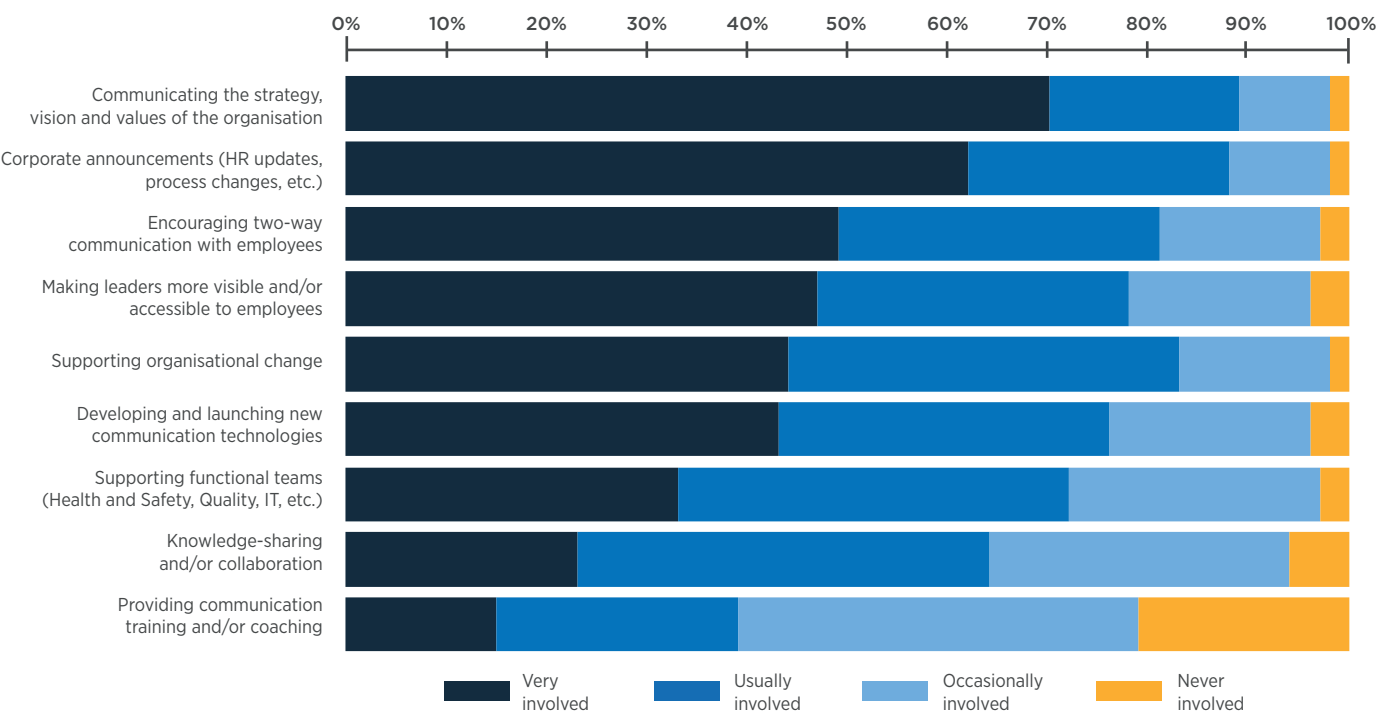
So where do teams invest their time? **Corporate announcements (88%)** and **communicating the strategy (89%)** remain core activities. This is unsurprising, given past years' data, as well as internal communication's historic focus on keeping employees informed of large-scale organisational happenings, typically via broadcast messaging. However, teams are also heavily involved in **supporting change through communication (83%)**, **encouraging two-way communications with employees (81%)** and **making leaders more visible and accessible to employees (78%)**.

For the most part, these activities are very similar to those reported last year. That said, there has been a noticeable decline in IC teams' involvement in developing and launching new communication technologies (76%, down from 83% in 2018) and supporting functional teams with their messaging (72%, down from 80% in 2018). This may signal a reliance on other functions (e.g. IT) to drive technology and a push to equip corporate functions such as Finance and HR to be able to communicate for themselves.

Disappointingly, providing communication training and coaching remains at the bottom of the list of IC team responsibilities – with a considerable one in five (21%) saying they are 'never' involved in this! This is depressing given our repeated call to tackle, in particular, poor line manager communication skills.

“Disappointingly, providing communication training and coaching remains at the bottom of the list of IC team responsibilities – with a considerable one in five (21%) saying they are ‘never’ involved in this!”

How involved is your team in the following activities?



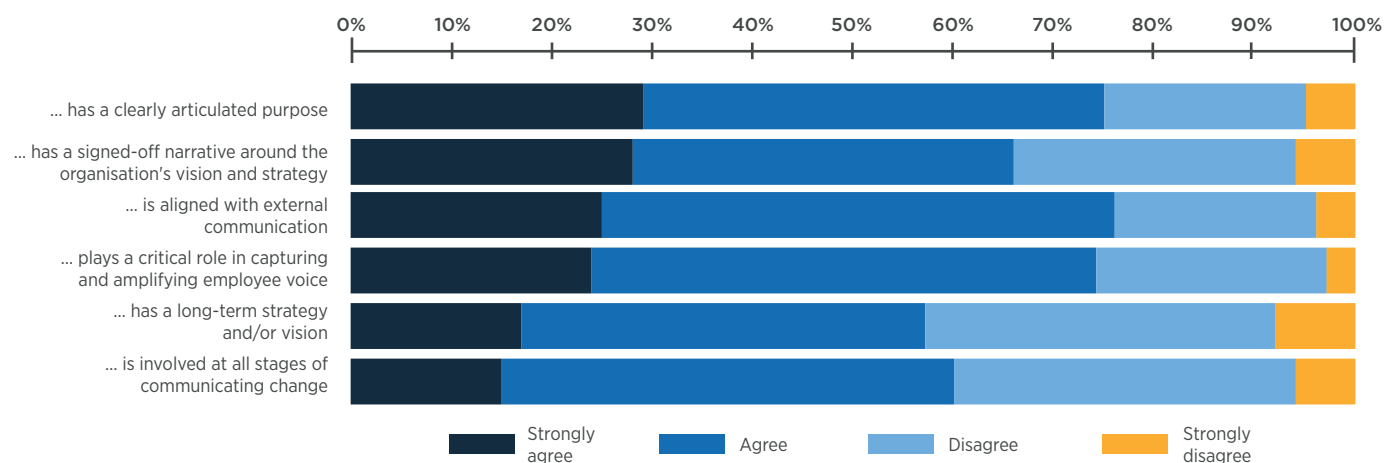
Positioning and influence

Overall, practitioners say **the function is perceived as playing a key role in employee engagement (72%) and having a clearly articulated purpose (75%)**. The good news is that **this purpose is seemingly becoming more widely accepted by others within the organisation**: 69% say internal communicators and leaders agree on the purpose of the function, up from 62% in 2018, and 76% report that internal communication and external communication are aligned, up from 63%. That said, two in five confess IC doesn't have a long-term vision (43%), and a similar proportion disagree that they are heavily involved in communicating at all stages in communicating change (40%) — which **suggests not all IC functions or practitioners are viewed as value-adding strategic enablers**.

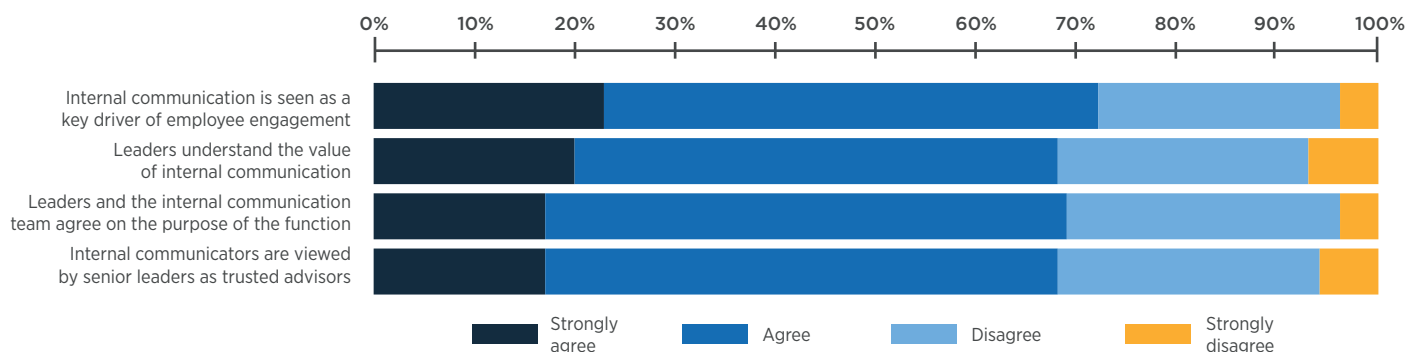
That said, nearly 7 in 10 think **leaders understand the value IC brings and view them as trusted advisors** — but this evidently isn't always translating into IC becoming involved in the wider aspects of organisational decision-making and transformation.



To what extent do you agree with the following statements? Internal communication...



To what extent do you agree with the following statements regarding your leadership team?



Planning practices

It's possible that the aforementioned lack of involvement in decision-making is due in part to **a lack of sophisticated planning within IC functions**. Although formalised planning documents have become slightly more widespread over the past 12 months, still the most commonly seen one is a **12-month IC calendar and/or plan** — and even this basic planning tool is only present in 57% of organisations.

Overall, **it is tactical tools that are used the most widely within organisations: in addition to IC plans, channel frameworks are relatively common within organisations**. 45% of internal communicators say they have one in place, up from 41% last year. That said, audience profiles remain largely unused; fewer than one in five organisations (17%) have these in place.

“Overall, it is tactical tools that are used the most widely within organisations...”

Disappointingly, strategic planning documents are less common. **Only 38% have a written IC strategy covering a period of more than one year**. This is a small increase on last year, but it is still a shame more progress has not been made.

Taking into account the lack of sophisticated planning activities, it should perhaps come as no surprise that internal communicators, for the most part, are quite pessimistic about employees' understanding of core business topics. With the exception of the organisational vision (62% understanding), all topics we asked about were estimated to be understood by less than half of the organisation's workforce. The reasons behind leadership decisions scored most poorly, with just one in four (24%) saying people had an 'excellent' or 'good' understanding of this.

There is, no doubt, further improvement to be made when it comes to the communications relating to some of these key topics. Adopting a more strategic outlook with regard to this can help immensely.

Indeed, the data shows an IC strategy has **considerable impact on employee**

understanding of the organisation's overarching vision: we can see an eight-point increase in reported understanding where there is an IC strategy, compared to average understanding levels otherwise. The existence of an IC strategy also influences levels of understanding of the organisation as a whole's long-term strategy (13-point increase), short-term business plan (seven-point increase) and their own contribution to the strategy (10-point increase).

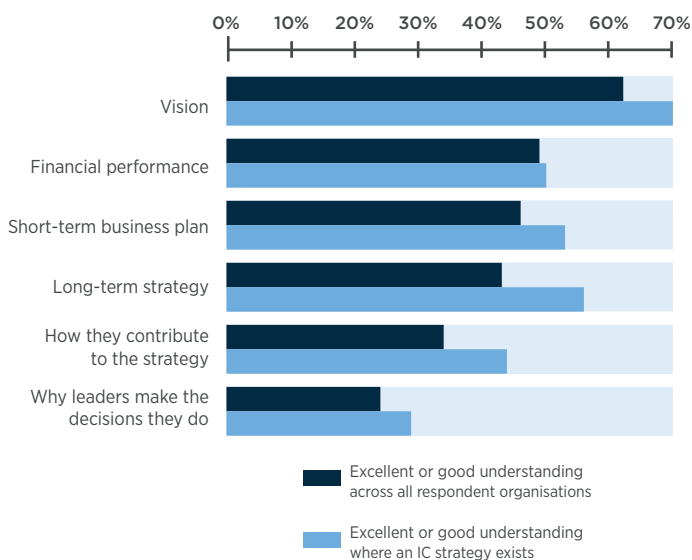
So, whilst IC practices are slowly becoming more sophisticated, forward-thinking and/or strategic planning remains limited — **communicators are still too focused on the short term**. This is particularly evident in the UK, where just two in five are aware of the existence of an IC Brexit task force within their organisation, and a meagre one in five have a plan in place detailing how they will eventually communicate the impact of Brexit.

Also disappointing is the considerable proportion — three in five (59%) — that does not produce regular reports on their activities and impact! Although, at 41%, this also represents improvement on 2018, when just a third of organisations said they had these, **it remains that impact measurement practices are limited**.

What tools do you currently have in place?

	2019	2018
Written 12-month communications plan and/or calendar	57%	50%
Channel framework	45%	41%
Regular dashboards/reports on your activities and their impact	41%	34%
Written internal communication strategy covering a period of more than one year	38%	33%
Audience profiles	17%	14%
None of these	19%	21%

How would you rate people's understanding of the following in your organisation?



Listening and impact measurement

Building upon the previous conclusion, it appears many IC practitioners still do not take measurement seriously. Whilst there is evidence of some useful data gathering, this is typically either owned by other functions or rudimentary and output-focused. Engagement surveys (73%), online analytics (71%) and feedback from face-to-face events (51%) remain the most frequently used, whilst every other method, save for email statistics (43%), is **unused in a third or more of organisations**.

“Many IC practitioners still do not take measurement seriously.”

There has been some variation on last year, though this is limited to just a handful of methods. Generally speaking, **quantitative research methods are being used less this year**. Pulse survey usage has decreased by 10 points, and social media metrics are used by just under a third now (32%), down from 38% in 2018. In contrast, **qualitative feedback from communication champions has increased** from 23% to 28%. One-to-one interviews, a new addition this year, are used by 1 in 10 (11%).



There are **substantial regional differences**. In particular, it is twice as common for internal communication teams outside of the UK to not use any form of measurement whatsoever. Further, higher proportions of UK-based practitioners than communicators from elsewhere have conducted an IC audit in the past three years, and/or regularly use pulse surveys and focus groups as part of their measurement strategy (although it remains that fewer than two in five do this). **So, overall, UK-based practitioners are, comparatively speaking, measuring the impact of their communications in a more consistent and sophisticated way than elsewhere.** Whilst North America or Asia Pacific-based communicators are just as likely as those in other regions (exclusive of the UK) to not conduct any form of measurement, uptake levels of individual techniques are higher there than in Europe, Latin America and the Middle East. The data points to a preference for qualitative methods in North America, while practitioners in Asia Pacific prioritise quantitative measures.

How do you currently measure the impact of your internal communication?

	2019	2018	2017	2016
Employee engagement survey	73%	69%	76%	65%
Intranet or online analytics (page views, etc.)	71%	68%	68%	64%
Feedback from face-to-face events	53%	55%	66%	63%
Email statistics	43%	44%	35%	35%
Pulse surveys	33%	43%	45%	41%
Social media metrics (number of comments, 'likes', etc.)	32%	38%	34%	33%
IC audit or survey (run in-house within the past three years)	29%	34%	41%	26%
Feedback from communication champions	28%	23%	N/A	N/A
IC audit or survey (run by external agency within the past three years)	11%	14%	17%	12%
One-to-one interviews	11%	N/A	N/A	N/A
We don't currently measure impact	12%	12%	6%	12%

Barriers to success

When it comes to the challenges internal communicators face in their role, this year's responses demonstrate how numerous and varied these can be. A few changes from 2018 can be observed, particularly with regards to the top three biggest obstacles to successful communications.

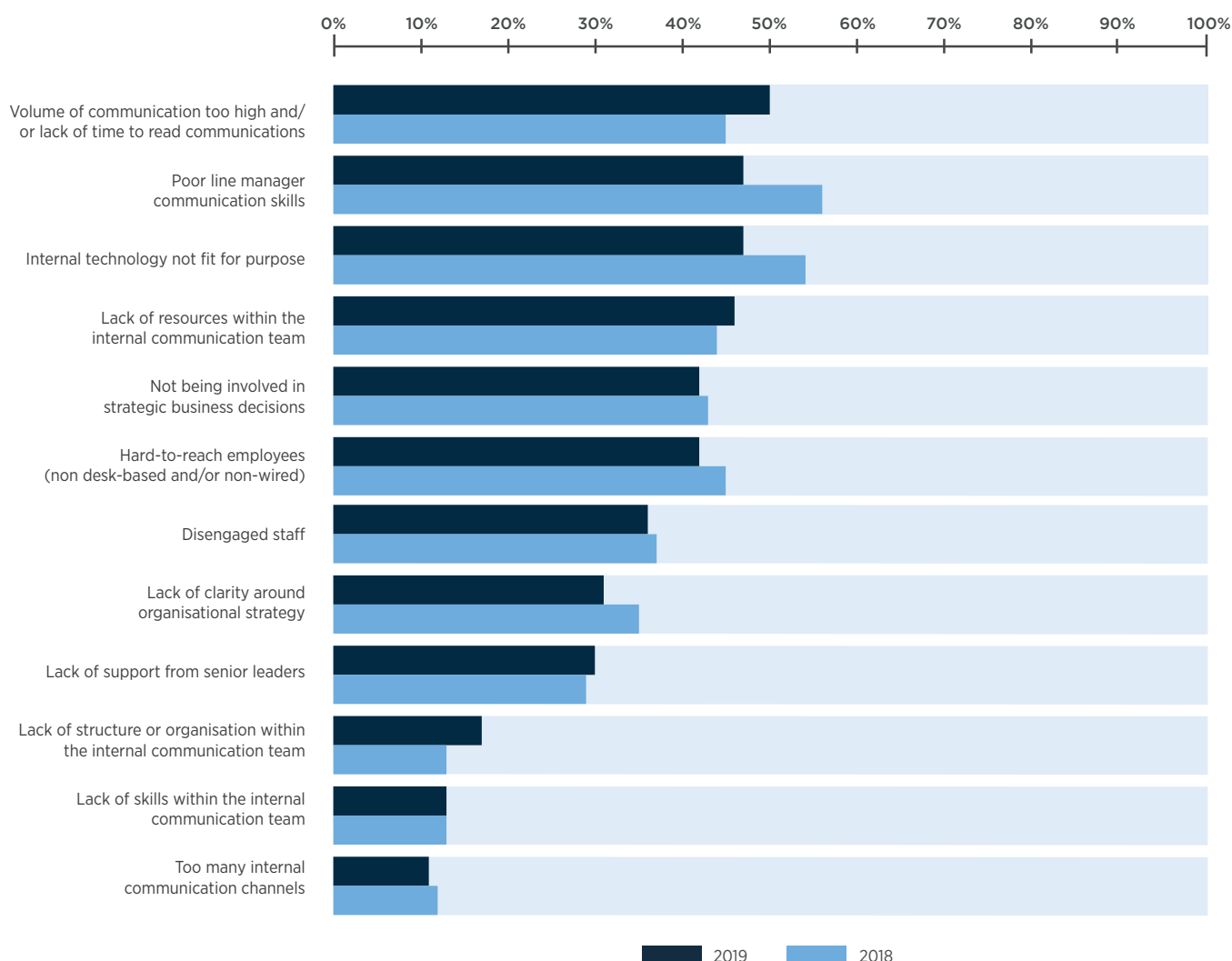
Last year, 56% of respondents called out poor line manager communication skills, making this the most prominent barrier to successfully informing and engaging employees. Whilst this remains a challenge in close to half of organisations, the exact proportion of communicators struggling with this has decreased by an impressive nine points, to 47%. **This is the first time since we began asking about line manager skills that they've not topped the list of barriers.** They remain an important challenge, tied for second place along with internal technology that is not fit for purpose; however, it is clear that internal communicators now have challenges to overcome on an even wider scale.

The third biggest challenge from last year has become the biggest one this year: half of respondents say that an **excessive volume of communications or lack of time for employees to engage with messages** is holding them back, up from 45% last year. Further, this particular challenge is faced in near equal measure across virtually every region. Whilst these evolutions do not signal massive change in the internal communication profession, they may indicate that practitioners are testing the waters with new approaches to communications — but may not have optimised usage levels yet. In previous years, there was little change to be seen from year to year, so we're mostly encouraged by these small evolutions and what they might mean in terms of activities.

Another interesting finding was that **barriers to IC vary quite substantially across continents.** As mentioned previously, the hindrance of an excessive volume of communications is common to all parts of the world. But whilst half of communicators in the UK (50%) and continental Europe (47%) pinpoint poor line manager communication skills as a barrier, this does not feature in the top challenges faced by other regions. The Americas, for instance, consider a lack of resources within the IC team to be a more prominent difficulty (54%). And Asia Pacific struggles with a lack of involvement in strategic business decisions (57%).

“The third biggest challenge from last year has become the biggest one this year: half of respondents say that an excessive volume of communications or lack of time for employees to engage with messages is holding them back.”

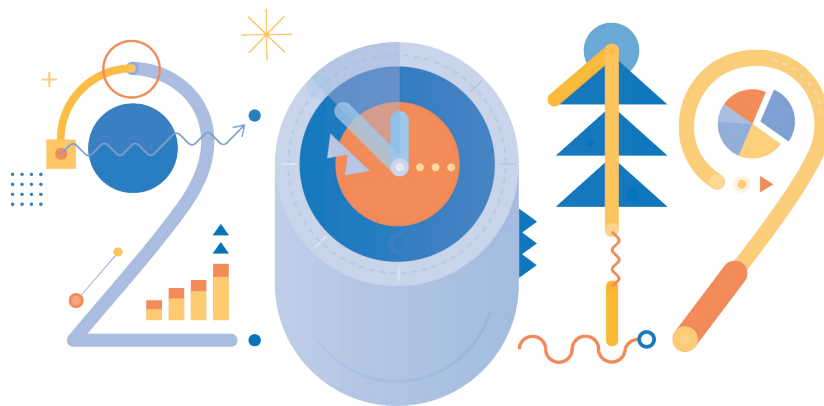
What are the main barriers to success?



Priorities for 2019

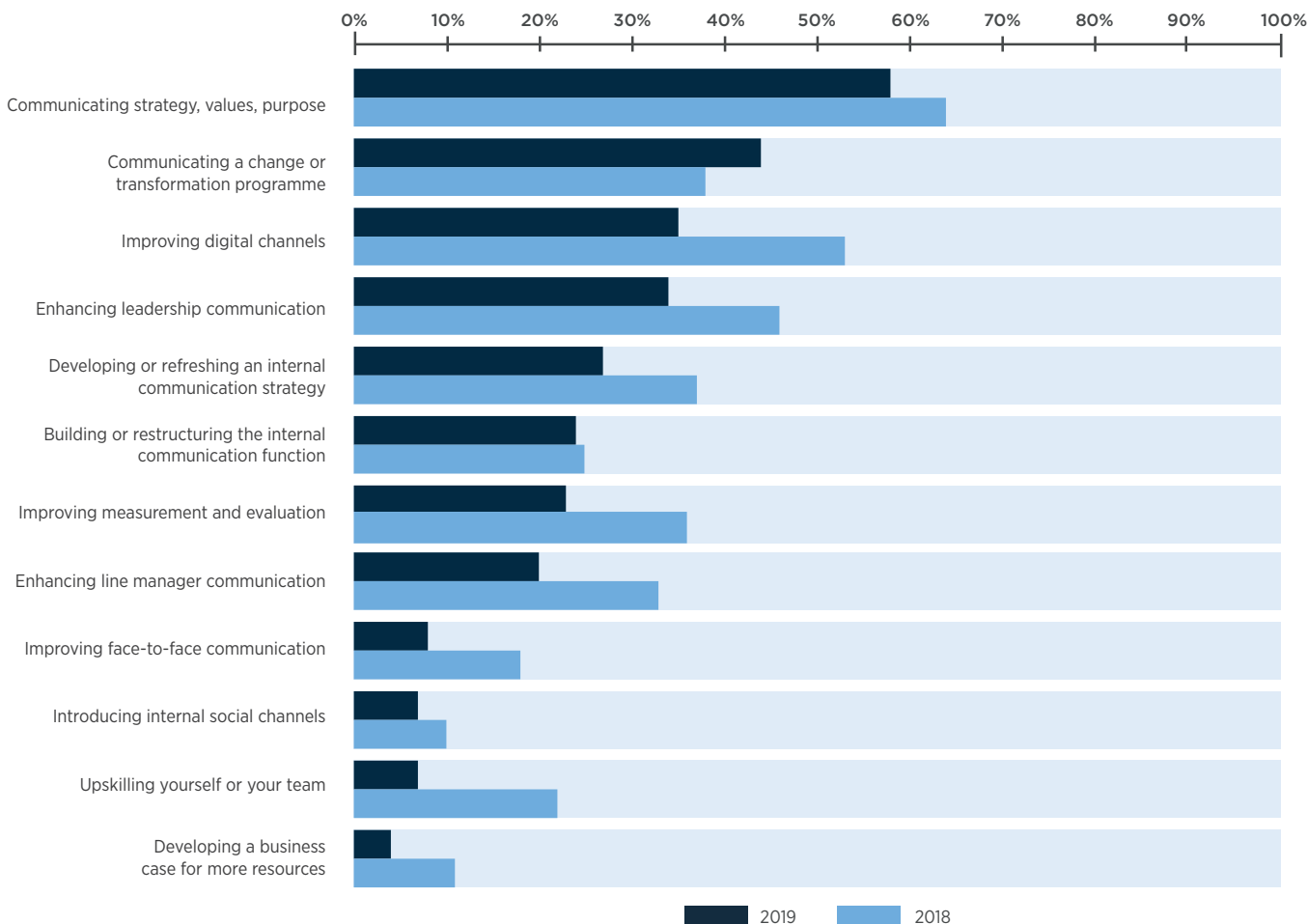
Despite barriers to internal communication differing from one region to another, most identified the same actions as their priorities for the coming 12 months. For the most part, these priorities align with IC functions' current core activities — **it will be the status quo for most communicators in 2019**. 58% say they will focus on communicating the strategy, values and purpose; 44% will be communicating important change programmes; and 35% want to improve digital channels.

Some of these priorities are similar to those listed last year: strategy-related communications have been a priority for communicators since we launched the very first State of the Sector report in 2008. But, interestingly, fewer communicators now will be prioritising developing or refreshing an internal communication strategy (down 10 points to 27%) or improving measurement and evaluation (down 13 points to 23%) — whilst communicating a change or transformation programme is a new entry in the top three areas of focus (having previously sat at number four in this list). **This ties in with previous conclusions around internal communicators' focus on the present and near-future**, as opposed to having a long-term focus or intention to analyse past actions.



“Despite barriers to internal communication differing from one region to another, most identified the same actions as their priorities for the coming 12 months.”

Where will you be focusing over the next 12 months?



Channels

Face to face

When it comes to channels, face to face remains important for IC teams, with the majority of channels deemed effective by over three quarters. Usage has varied a little over the past 12 months, and **it would appear organisations are increasingly investing in large-scale conferences, roadshows or town halls for all employees, whilst reducing the usage of informal get-togethers and conference calls** — the idea possibly being that these face-to-face conferences combine an aspect of informal networking and collaboration alongside one of presenting important messages.

Unsurprisingly, informal get-togethers are held on a very frequent basis in many organisations — 3 in 10 say they are 'ongoing', with a further 1 in 10 organising one a month. All-employee conferences, roadshows or town halls are held less frequently: just over half of organisations that make use of these (55%) organise between two and five a year. But whilst frequency may be somewhat limited, effectiveness is high: these were named the most effective face-to-face channels (85%).

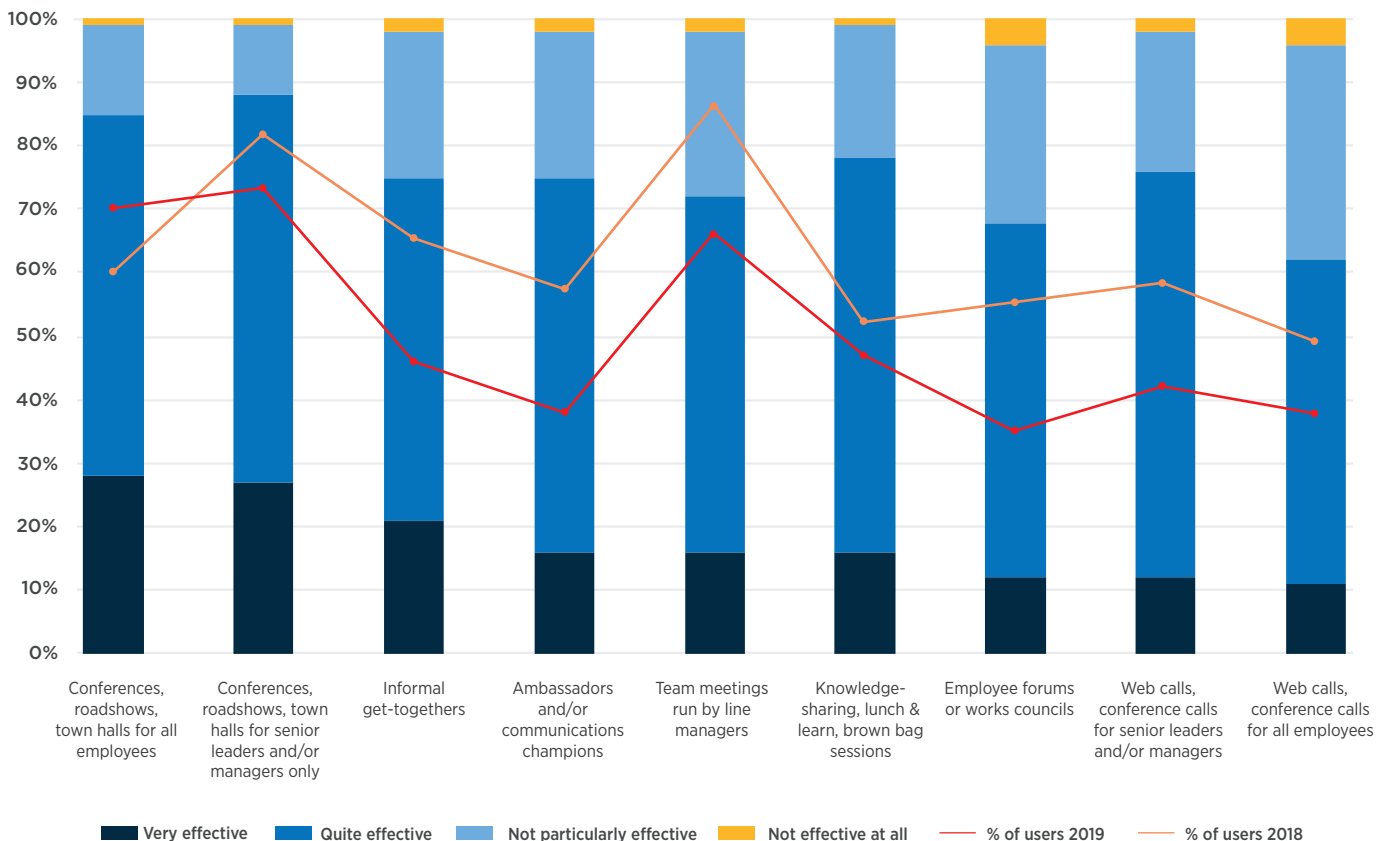
Meanwhile, all-employee conference calls were said to be effective by 'just' 62%. And further responses give some indication as to why: average attendance for these calls in organisations where they are used is around 48% — meaning that just under half of employees regularly dial in. This is not for lack of trying on internal communicators' part — indeed, the vast majority (94%) say they endeavour to make these interactive by allowing questions, with 53% of these saying employees do ask questions. It would appear, then, that interactivity is not the primary issue hindering effectiveness, but rather other factors — with previous responses suggesting that perhaps, due to a high volume of communications received through other means, employees lack the time to dial in. Regardless,

organisations continue to plough investment into all-employee conference calls, with 39% of them organising these at least six times a year.

One of the biggest surprises in this year's research is that team meetings appear to be losing ground within organisations: globally, just two thirds say line managers within the organisation run these. This is despite line managers being amongst the most visible groups within many organisations. Overall usage numbers do conceal some regional variation, however: whilst team meetings are widely used in the UK (72%), on average, just 57% of organisations in other countries use these regularly.

“Organisations are investing in large-scale conferences for all employees, whilst reducing the usage of informal get-togethers and conference calls.”

How effective are the following face-to-face channels in your organisation?



Print

In contrast with face to face, **print usage has declined for every single channel. Posters and banners remain the core print channel** in use (70%), though they too appear to be in decline. This is despite the fact that print channels are still considered effective by over two thirds of those who use them. The greatest drop in usage can be seen for letters and/or memos: just 26% of internal communicators say they have used these in the past 12 months — fewer than half as many as said the same last year (46%). There was also a considerable decrease in the usage of

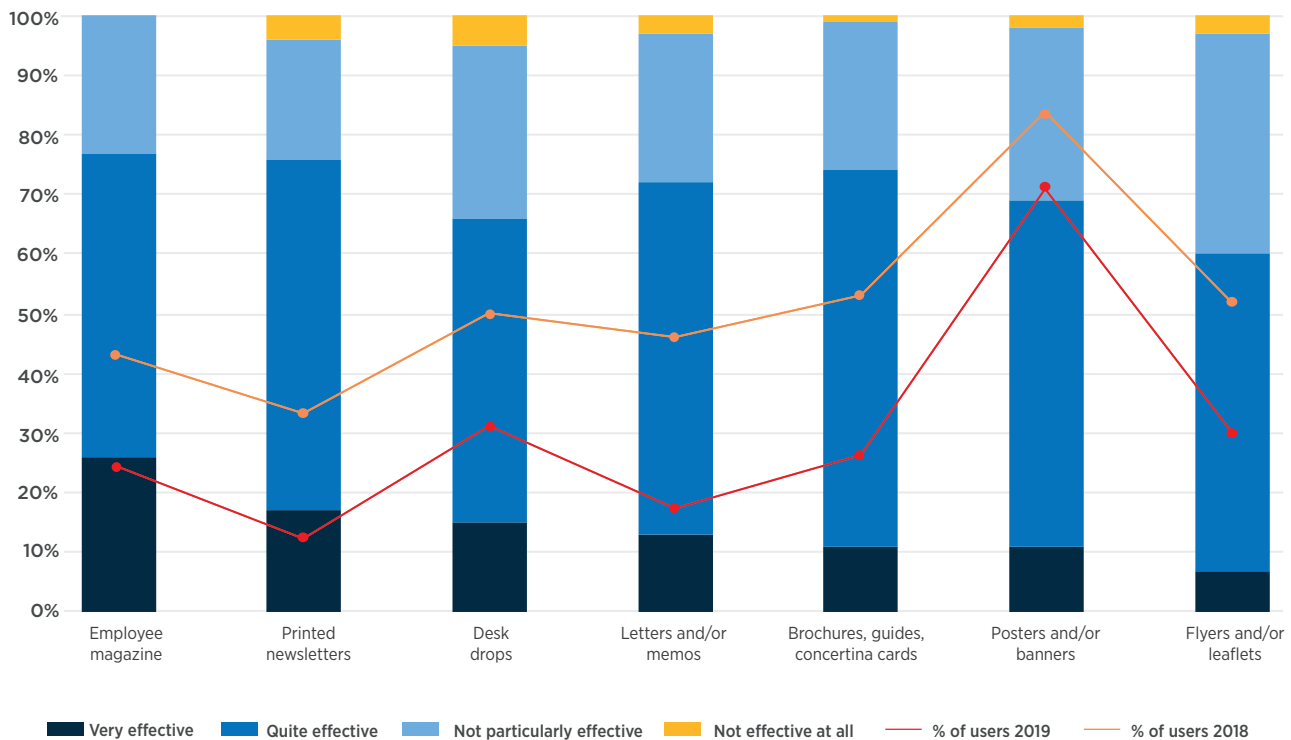
employee magazines globally, potentially as a result of the increasing prevalence of digital platforms. Indeed, these are widely seen as a more interactive way of communicating standout stories, all while boasting eco-friendly credentials. That said, whilst global uptake of printed magazines has nearly halved, dropping to 24% from 42% last year, not all regions have been so quick to kill their paper communications.

This brings us to our next finding: **print usage varies greatly across regions.** For instance, a third of communicators in the UK and Europe use employee magazines, versus around a tenth in other regions.

And whilst only 14% of UK and Europe-based practitioners send out letters or memos to staff, a quarter of IC teams in other regions use this channel.

“In contrast with face to face, print usage has declined for every single channel.”

How effective are the following print channels in your organisation?



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Digital

Digital channels were long an area of investment for IC teams, and remain a core focus for practitioners — **however, usage of many channels has decreased this year.** Chatbots are the least used (2%), although a quarter of those who use them call them 'very effective', suggesting that perhaps investment into these on a wider scale could be worthwhile. Blogs are the channel that has seen the biggest decrease in usage, down 19 points in 12 months. Email announcements (93%), intranets (86%), video (72%) and e-newsletters (71%) are the only digital channels that are used by over half of respondents. Additional detail in responses indicated that high usage rates do not always translate into high engagement rates, however. A successful e-newsletter is opened by an average of 56% of recipients, with a clickthrough rate of 37%. Respondents noted that e-newsletters are most successful when they are concise and feature stories and photos celebrating employees' work.

On average, a video is considered to have been a success by IC teams when 38% of employees watch it. 47% state they have more success with videos capped at two minutes in length — indeed, keeping videos short is one of the most effective tactics to produce videos staff engage with. Other tried and tested techniques include showing leaders in a down-to-earth manner and featuring frontline colleagues from across the business.

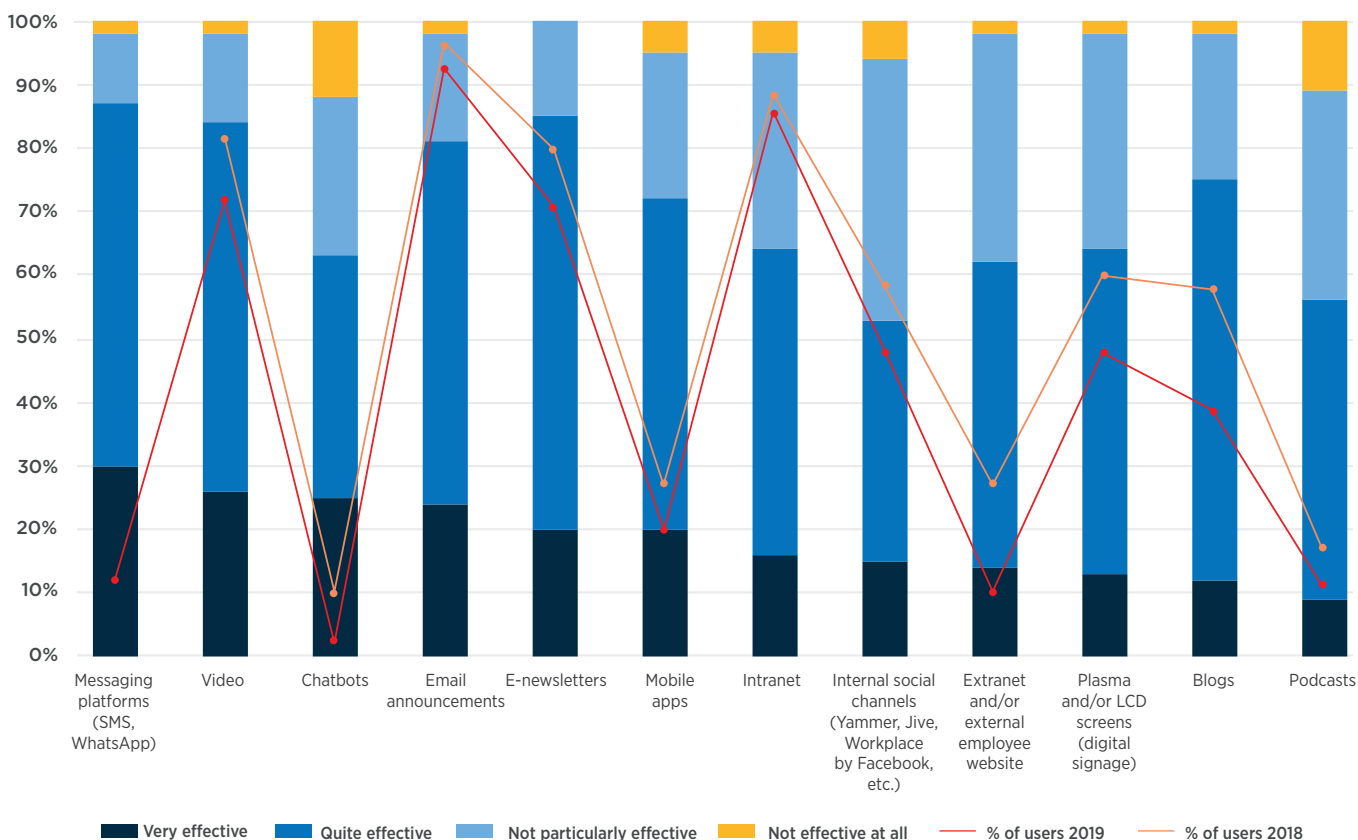
Again, there are **some regional differences:** videos are most used in the UK (81%), whilst only 65% of North America-based communicators use them. Blogs are also used far more widely in the UK (50%) compared with other regions. Meanwhile, over a third (35%) of organisations in Latin America, Africa and the Middle East use mobile messaging platforms, compared with just a tenth of organisations in the UK, Europe and North America.

Although the overall trend is for the availability of digital channels being reduced, where digital channels are in place, **frequency of usage is very high.** The majority of organisations use

this type of channel on an ongoing basis, no doubt due to the logistical ease of deploying messaging on digital platforms, and the always-on nature of these.

Additionally, **the perceived effectiveness of all digital channels has increased since last year**, with mobile apps and extranets leading the way in terms of improvements (18-point and 19-point increases respectively). It is to be noted, however, that reach is still limited for some of these channels: on average, 40% of employees download their organisation's mobile app — although most of these do maintain regular usage of the app, with 34% of employees accessing it at least once a fortnight. This shows that aspirations for mobile apps to become an alternative to the intranet (of sorts) have not yet been fully realised. And this may also provide an explanation as to why nearly two thirds (63%) of organisations turn to a relatively quick-and-easy to deploy third-party app when introducing mobile channels!

How effective are the following digital channels in your organisation?



Whilst, generally speaking, digital channels are seen to be more effective nowadays than previously, there is still some road to cover and tough decisions to make. Social channels are a great example. Previous responses showed that introducing new social channels is low on internal communicators' lists of priorities for the coming year, with just 7% calling this out as one of their objectives for 2019. This is no doubt to some extent because most organisations with an interest in trialling social channels have already done so. For the most part, organisations with social channels in place rely on Microsoft-produced products; the top three social platforms, by usage, are SharePoint (57%), Yammer (37%); and Microsoft Teams (21%). **In the case of Yammer, this represents a substantial decline in usage from last year:** in 2018, 49% of respondents said this channel was used in their organisation. But the meagre proportion of communicators with social channel ambitions may also be down to perceived lack of effectiveness from the outside looking in. It is clear that, **despite predictions made in bygone years, social channels have not become the centrepiece channels many thought they would.**

Just 43% consider their social channels an integral part of their framework. Just under half of respondents (47%) said their social channels are not particularly or not at all effective, and slightly fewer than a third (31%) of practitioners said they had been able to demonstrate the value of their internal social channels. It is perhaps unsurprising, then, that senior leaders are unconvinced by social channels and invest just limited time in them: nearly a quarter (22%) strongly disagree that senior leaders support and are active on these platforms. And whilst an optimistic 12% do believe social channels are the future, 14% think they should be killed altogether.

And indeed, some organisations have killed their social channels: overall usage

levels have dropped by just over 15%. This aligns with previous suggestions that IC practitioners are streamlining their channels, perhaps in an effort to reduce the overall volume of communications that are sent to employees.

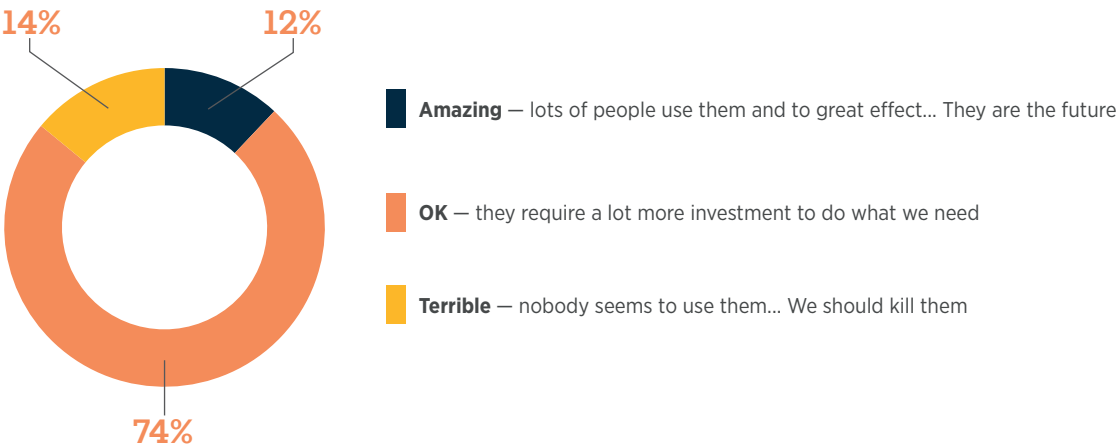
This is not to say that social channels are a complete waste of time, though. Nearly three quarters believe social channels are used well within pockets of their organisation, with most of these stating that as long as employees believe they stand to benefit from the platform, they will use it. They explained that posts around contests, recognition and best-practice sharing tend to perform better than others.

“Whilst an optimistic 12% do believe social channels are the future, 14% think they should be killed altogether.”

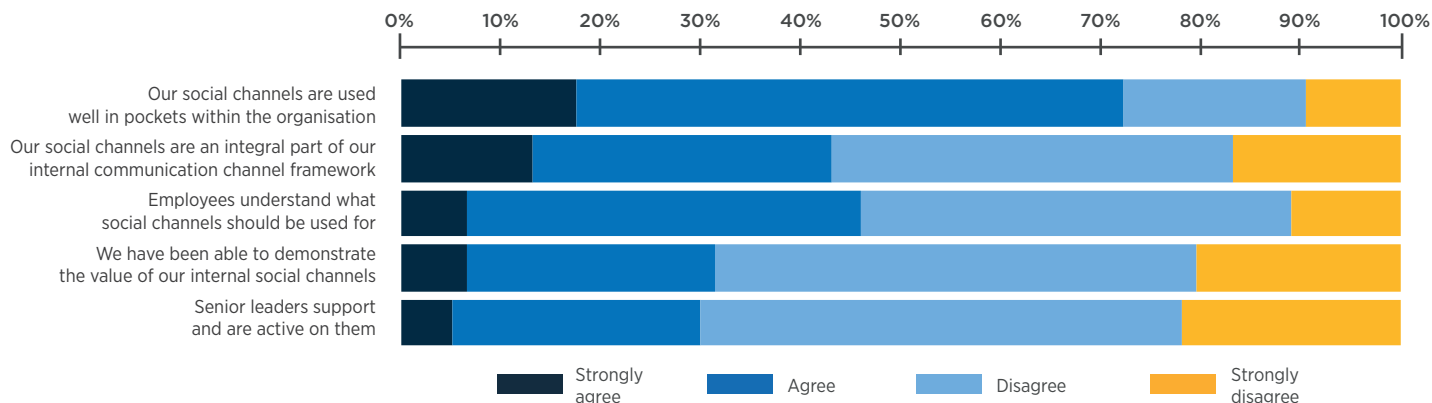
Which social channel(s) have been implemented in your organisation?

SharePoint	57%
Yammer	37%
Microsoft Teams	21%
Internally branded/purpose-built social platform or social intranet	20%
Twitter	14%
Slack	9%
Google+	8%
Workplace by Facebook	8%
Chatter (Salesforce)	7%
Jive	5%

Which of the following best describes social channels in your organisation?



To what extent do you agree with the following statements regarding your social channels?



How do employees currently access your internal digital channels?



99%

Desktop or laptop at the office



72%

Business-owned mobile devices



62%

Desktop or laptop at home



46%

Personal mobile devices

Overall, responses this year point to an intention amongst internal communicators to prioritise quality of digital channels over quantity.

Whilst change is being observed when it comes to channels and their usage, the means through which they can be accessed have scarcely changed from last year. Most organisations still allow their people to access digital channels primarily through officially sanctioned tools: 99% say desktops or laptops at the office can be used, and a further 72% spoke of business-owned mobile devices. Fewer than half allow employees to use their personal mobile devices to access internal digital channels. **But there are further regional differences to observe here as well.** Teleworking practices, enabling employees to work on a laptop from home, are far more widespread in the UK (71%) than elsewhere (compared with 51% across other regions). Meanwhile, 58% and 54% respectively of North America and Asia Pacific-based organisations allow employees to access communications on their personal mobile devices, compared with an average of 41% across all other regions.

Over the next 12 months, will you increase, decrease or maintain the same usage of the following channels?

	Increase	Keep the same	Decrease
Internal social channels (Yammer, Jive, Workplace by Facebook, etc.)	66%	31%	3%
Video	65%	33%	2%
Podcasts	58%	33%	9%
Mobile apps	57%	35%	8%
Chatbots	55%	36%	9%
Intranet	50%	44%	6%
Blogs	44%	51%	5%
Plasma/LCD screens (digital signage)	42%	54%	4%
Messaging platforms (SMS, WhatsApp)	38%	59%	3%
Extranet/external employee website	25%	59%	16%
E-newsletters	17%	71%	12%
Email announcements	7%	58%	35%

Leader and line manager communication

As with every other year, **executive team members are said to be effective communicators (57%) but not very visible (36%), whilst line managers are more visible (48%) but not effective** — with only a quarter (26%) rated as effective. Despite this, 36% will be focusing on enhancing leadership communications in 2019, perhaps through increased use of roadshows and/or conferences, while just 20% will aim to improve line manager communications. Further, two thirds say they prioritise giving support to executive team members, compared with just 16% who say the same about line managers. This is not good enough.

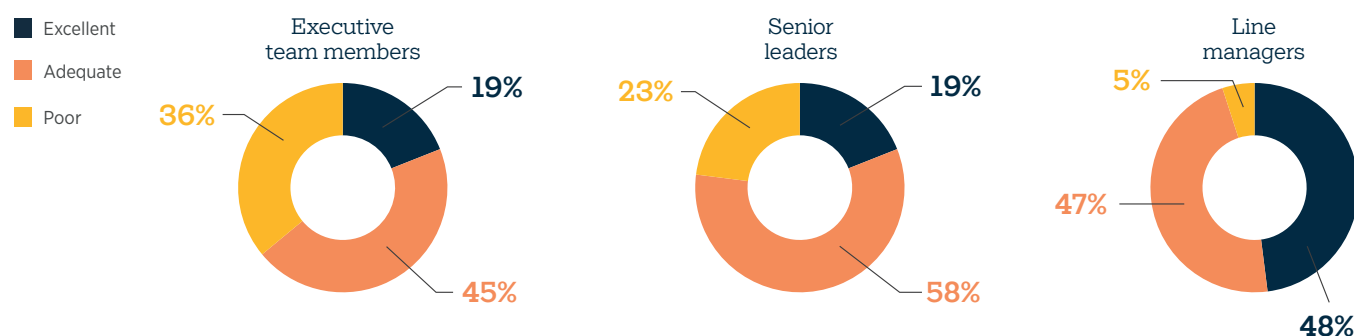
Line managers are also far less likely to have any channels dedicated to them — three in five receive tailored ad hoc email announcements, and half receive cascade packs; however, other dedicated channels are uncommon. In contrast, 90% of senior leaders receive tailored ad hoc email announcements, and around a half are invited to web calls and/or face-to-face briefings to discuss content to be cascaded — indicating **a more hands-on approach to leadership communication**.

Further, many organisations have implemented dedicated channels to increasing leadership visibility. Interestingly, just 43% make use of leadership blogs, and of these, 44% do not find them very effective — yet perceived executive team visibility is 37% higher in those organisations with leadership blogs. Online Q&As with senior leaders yield a similar outcome in terms of increased leadership visibility. Meanwhile, 81% of those organisations where roadshows are used to increase leadership visibility consider these effective — but the increase in perceived leadership visibility is equal to just 16%. This could be down to the fact that conferences fulfil multiple other objectives, in addition to increasing leadership visibility. However, this then raises the question of what each organisation's precise objectives are in using the channels they do, and offers further evidence for the need to more accurately measure the observed outcomes. **Arguably, for organisations where enhancing leadership visibility is a core objective, the return on investment may be higher from using online tools such as blogs and Q&As than a series of roadshows.**

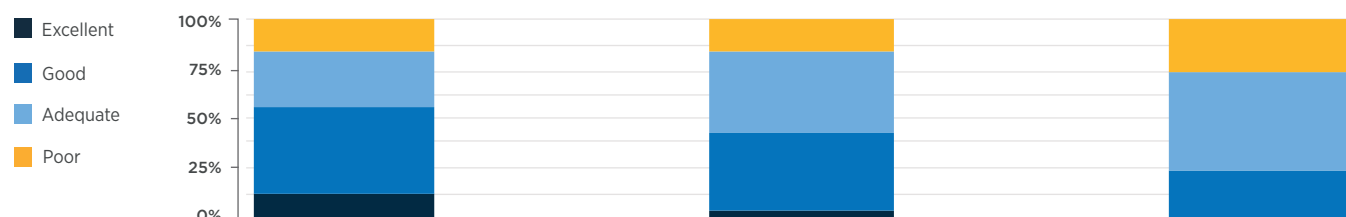
“Two thirds say they prioritise giving support to executive team members, compared with just 16% who say the same about line managers. This is not good enough.”

How would you rate your leaders and managers?

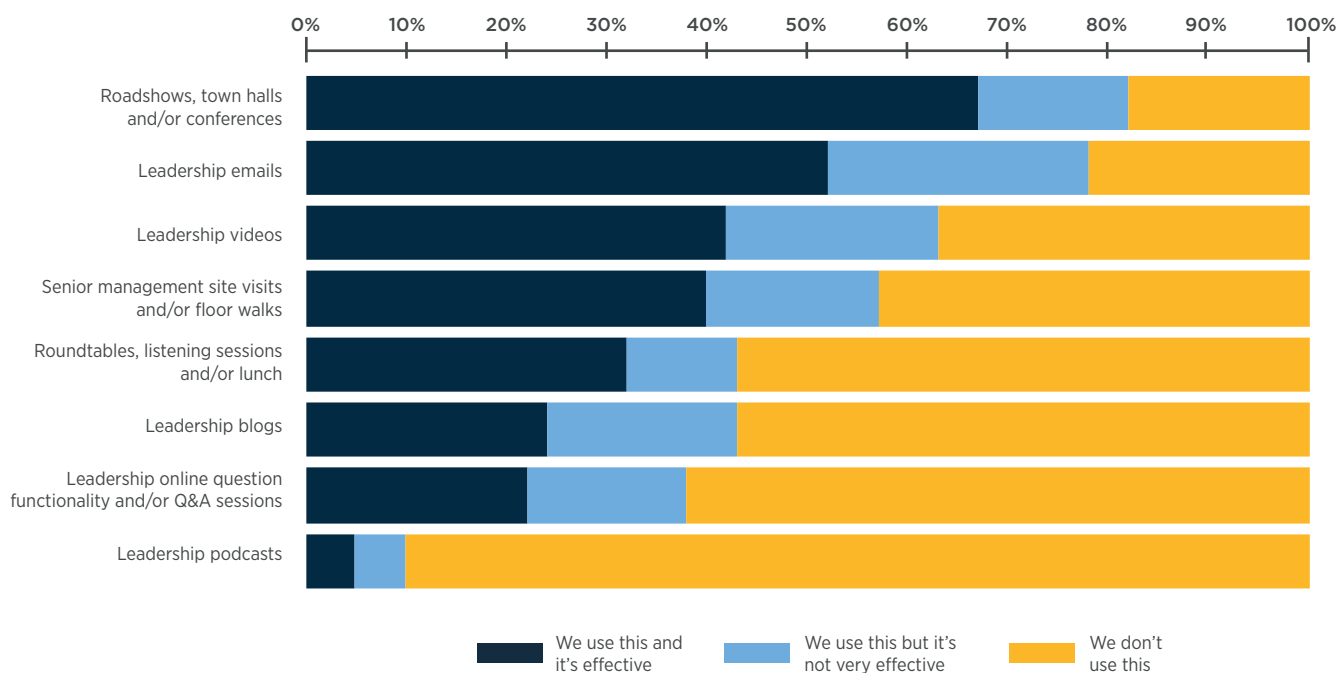
Visibility...



Communication skills...



What tactics do you use to increase leadership visibility?



What specific channels are targeted at senior leaders and line managers?

Leaders (2019)	Leaders (2018)		Line managers (2019)	Line managers (2018)
90%	64%	Ad hoc email announcements	61%	62%
56%	40%	Conference calls and/or webinars	41%	30%
45%	30%	Regular face-to-face briefings to share content to cascade	40%	26%
42%	55%	Ad hoc forums, conferences and/or seminars	29%	32%
39%	36%	Toolkits and/or cascade packs	48%	40%
39%	23%	Regular e-newsletters	38%	33%
26%	25%	L&D and communication training	33%	29%
24%	20%	Online hub with dedicated resources	23%	22%
22%	21%	One-to-one coaching sessions	17%	11%
8%	13%	None — we don't have any channels specific to this audience	10%	17%

Budgets and resources

As with previous years, many organisations have rather lean internal communication functions. A huge 72% of respondents stated that there are five or fewer dedicated internal communicators in their organisation, with a further 12% declaring they work in a team of 6 to 10 communicators. The exception to the rule is evidently very large and complex organisations — the average organisation of 50,000+ people typically benefits from the expertise of 15 full-time IC specialists.

In addition to these specialists dedicated entirely to internal communication, 78% of respondents say there are others within their organisations who have internal communication as a smaller part of their role. **Nearly two thirds of these organisations (62%) declared that between one and five non-specialists have IC as part of their remit. Evidently, there is a need for more human resources in many organisations, and this is how these have chosen to plug the gap.** But it is worth pausing and considering whether giving internal communication responsibilities to people in other teams is worth it — with so many organisations suffering from an overflow of communications, perhaps keeping to a single, focused team of experts, using interims if needed, could be a better option.



“Many organisations have rather lean internal communication functions.”

How many dedicated internal communicators are there in your organisation?

Number of employees	FTE dedicated IC people
1-499	1
500-2,499	2
2,500-9,999	5
10,000-49,999	7
50,000+	15

(Average responses based on employee base)

When it comes to average internal communication budgets, there is much more variance. Some organisations keep IC spend minimal: a quarter of respondents reported an IC budget of under £10,000, with another quarter stating they do not actually have an IC budget and must review spend on a case-by-case basis. Meanwhile, other organisations splash out a bit more on this important business function: 7% said internal communication benefits from £1 million or more to put towards internal communication campaigns, events and activities. When it comes to intermediate budgets, 24% said they are provided with a sum between £10,000 and £100,000 to spend on internal communication, and 15% have a budget of £100,000 to £500,000.

The biggest organisations, though they have the highest budgets overall, are actually spending the tiniest amounts per employee per month on communicating with their greatest asset. **To put things into perspective, the average monthly IC spend per employee in businesses of over 50,000 employees is equal to the cost of a single chocolate bar!**

What's more, nearly two in five (37%) said that they did not know what their organisation's IC budget is. This represents a seven-point decrease on the proportion who said the same last year (44%), which is slightly reassuring, however it remains that some IC teams are being kept in the dark when it comes to financial resources — and this is a worrying reality.

What budget is currently allocated to internal communication?

Number of employees	Low spend	High spend	Average monthly spend per employee
1-499	£27,000	£70,000	£16.16
500-2,499	£43,000	£101,000	£4.00
2,500-9,999	£129,500	£226,500	£2.37
10,000-49,999	£243,000	£317,000	£0.77
50,000+	£497,500	£620,500	£0.93

(Average IC spend based on the size of the organisation)



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Areas for improvement



We're planning poorly and obsessed with the short term

Overall, this year's study paints a picture of a profession that is maturing at different paces in different parts of the world.

Viewed in the context of previous State of the Sector data, it can be seen that internal communication practices are slowly becoming more sophisticated. But these gains are often made at a tactical level, whilst progress at the strategic level is disproportionately low. Yes, there are more of us who now have an IC strategy covering

a period of more than a year in place — but it's still only 38%. Forward-thinking and planning practices have not evolved as much as we would have hoped for such an important 'enabling' function.

Across the profession, we're reactive, not proactive, knee-jerking to the here and now, rather than planning for the future and thinking through how and when to best deploy all of the fancy tactics we now have in place.



We're working blind and failing to demonstrate our value

Tying in with the previous conclusion is the fact that many of us have a rather limited view of what does and doesn't work in our organisations, and an even more limited understanding of why. We like to think we're insight-led, but we make decisions based on gut feel.

Sophisticated, specific and effective measurement practices are few and far between — as they were last year, and the year before. Still now, engagement surveys, often driven by HR with a small section devoted to internal communication, are the most widely used measurement technique, followed, quite a way behind, by output-focused online analytics, which provide data on behaviours but not the reasons behind these. Only half of communicators use feedback from face-to-face events, but depending on the specific methodology used, this may offer little more than anecdotal evidence.

It's clear from these stats that not only are we measuring very little, but we're often not measuring the most important things: focusing on outputs rather than outcomes. This gives us little insight to develop a solid understanding of colleagues' communication preferences, and to drive real change on the back of this.

We still feel that more organisations should be undertaking internal communication audits, which provide genuinely actionable insights, so that they can get a head start on providing employees with the information they want, in the way that they want it. Just 1 in 10 communicators has had an independent agency review their practices in the past three years...



We still haven't won over senior leaders

The good news is that we as communicators feel leadership perceptions of us are slowly increasingly, from good to great. The bad news is that this isn't always translating into reality, nor into greater power for IC functions in terms of influencing business decisions.

Using the example of the UK, 81% of communicators admit to not being very involved in planning for Brexit. This is something that applies globally to all significant change programmes, though, with two in five organisations failing to involve communicators during change

planning. What's more, one of the top five barriers to successful IC is a lack of involvement in strategic business decisions.

But the issue doesn't just lie with the wider business decisions; sometimes, the lack of influence of the IC team can be as close to home as, well, the IC team! Nearly one in three of us confess that senior leaders do not share our view of what it is we are here to do!



We've surrendered the battle against poor line manager communication

We'll make this quick, as we talk about it every year: line managers have a key role to play in internal communication and engagement, with a high level of visibility and local influence, but they are not given the attention they need to play their part in the communication mix.

Poor line manager communication skills have been reported as one of the biggest blockers to success for over a decade — only a quarter of us view line managers' communication skills positively — yet fewer and fewer of us seem to be doing anything to tackle the problem! Just one in five of us are planning to enhance line managers' communication skills in 2019 — compared with one in three of us last year. And two thirds of organisations have no learning and development or training opportunities for line managers to improve their confidence and skills as communicators.

Instead, and perhaps because we know their trust in us is not as high as we'd hope, many of us are focusing our time and effort on senior leaders — two thirds of us prioritise executive team members over any other management group, whilst the same proportion place line managers at the bottom of their list of groups to provide support to. For many line managers, the most they can expect to receive from their IC team is a tailored email announcement when something big happens — this is the only line manager-specific channel seen in over half of respondent organisations. We've said it before and we'll say it again: more needs to be done to support the crucial group that is line managers to keep their teams informed and engaged.

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We're beginning to realise digital isn't the answer — it's only making our jobs tougher

When it comes to channels, we're putting more and more faith in digital. In fact, our third biggest priority for 2019 is to improve digital channels! And it's with good reason — nearly half of us say internal technology that isn't fit for purpose is one of the main barriers to success.

The problem is the way we seem set to try to drive improvements. For many of us, the solution lies in fleshing out our digital offering more and more. We're set to increase usage of 6 of the 12 digital channels covered in this report over the next 12 months. Why is that a problem, you ask? Well, increased use of digital channels almost inevitably leads to more noise — which is the number one blocker to successful internal communication!

The other issue is that, as mentioned previously, we're not always strategic in what we do, so we risk creating more issues than we're solving. Arguably, digital channels have become more widespread and sophisticated over the years. For instance, three in five of us have now implemented Office 365 (just half of us had done so last year). But still we don't feel our digital workspaces are fit for purpose. And all the evidence points towards social media failing to deliver for communicators: half of us now make use of internal social channels, yet more of us rate these as terrible (14%) than amazing (12%). We continue to plough time and resources into digital channels, yet unless we begin doing so more strategically, we'll also continue to make things harder for ourselves...



We're simply not investing enough

Astoundingly, the very biggest organisations are spending less than GBP £1 per person per month on communicating internally, even though it costs around GBP £35,000 to replace an employee! In fact, the larger the organisation, the lower the IC spend per person — whilst, typically, size often means increased complexity... An organisation of 2,500 people might spend, on average, £4 per employee per month on internal communication; organisations that are four times bigger typically cap their monthly IC spend per employee at £2.60. And if you work for an organisation of over 50,000, you can consider yourself lucky if over £1 per month is spent on communicating with you! Across the board, we simply aren't entrusted with sufficient resources for such a vital activity — keeping organisations' most vital asset, their people, informed and engaged. Even more shockingly, 37% don't know their organisation's IC budget — making it even

more difficult to effectively communicate with colleagues. It's especially mindboggling looking at IC budgets when we consider the average cost of replacing a member of staff: a considerable GBP £35,000!

Taking into account all of the aforementioned areas for improvement, though, there is an argument for IC teams to accept the blame for the lack of resources, pull ourselves up by our bootstraps and drive a more strategic approach, informed and followed up by in-depth measurement, and focusing on the areas that cause real issues, namely excessive volume of communications, poor line manager communication skills, and lacklustre internal technology. If we can demonstrate the value we add to organisations, would this not provide a convincing business case for IC to be given more resources, and to win more influence?

Have you audited your internal communications recently?

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+44 (0)20 7754 3630
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