State of Internal Communications
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INTRODUCTION

The internal communications (IC) function is important because employee engagement is important. Seemingly, the employee engagement topic gets more attention with every passing year as more studies have proven its impact on the workforce. Fortunately, much has been done to better understand the domain and leaders are beginning to take the topic more seriously. This trend is driving more interest in internal communications teams, processes, and best practices.

Simpplr Research conducted this year’s State of Internal Communications report to get a better understanding of what separates great IC programs from everyone else. While there are many industry benchmark reports, few provide the rigor to help practitioners understand where they should focus. In addition to fielding a significant sample of knowledgeable participants, Simpplr Research used statistical methods such as 2-sided t-tests and multiple forms of regression analysis to properly identify the key drivers of internal communications’ success.

In this report, you will learn:

• The key drivers of employee engagement and how they align to IC programs’ practices
• Internal communications benchmarks across multiple topics including: practitioner challenges, measurement, technology usage, and activity focus
• The best practices and tactics from leading organizations’ IC programs that separate their programs from the rest
• Specific takeaways from the research that can help you improve your own internal communications
There is ample research available that proves that increased employee engagement drives all of the above. Now the question is: What are the key drivers of employee engagement?

The data shows if employee communications functions want to drive employee engagement, statistically speaking, they should focus their efforts on three things to achieve the highest impact:

• **Purpose:** Showing employees how their work (and the work of the company) has a positive impact and is something to be proud of

• **Alignment:** Making sure that employees and executives are on the same page and everyone understands how their work is impactful

• **Community:** Creating an environment where employees feel safe, connected, and supported

Improving employee engagement has clear benefits. Here are just a few:

- Reduces employee turnover
- Helps recruit top talent
- Improves employee productivity
- Increases innovation in the workplace
- Boosts employee happiness
- Improves employer brand

Simpplr Research’s Corporate Culture and Company Performance (2018) study asked hundreds of employees to rate how excited they are to go to work everyday and then surveyed various attributes of engagement. We then performed linear regression models against the engagement outcome. The results show the attributes with the strongest impact on employee engagement, measured by the magnitude of estimated beta. All results shown are significant at least 0.05 alpha levels. This means that under the null hypothesis of no relationship between covariates and the chosen outcome, there was only a 5% chance, under the asymptotic distribution, that the data collected would have been observed by chance. Note that these engagement drivers are not unique to Simpplr’s research. Comparable findings have been shown in hundreds of research studies.
CURRENT STATE OF INTERNAL COMMUNICATIONS

To start the report, Simpplr Research asked practitioners to rate the current state of their internal communications program. This question serves as the report’s primary outcome variable and is used extensively to understand what tactics and priorities differ among leading and lagging companies. Survey participants were also asked to assess the relative importance and understanding of their function.

The results of the State of Internal Communications survey are mixed. 37% of IC practitioners rate their programs as “leaders” or “above average,” while many practitioners are not satisfied. Only 2% of people rate their state of internal communications as seriously lacking, and a total of 61% believe their programs are “average” or “below average.”

In the chart above, we asked internal communications (IC) practitioners about their state of internal communications. Most respondents strongly believe that IC is important. Nearly 80% of respondents note that IC strongly impacts employee engagement and close to 90% either “agree” or “strongly agree” that IC impacts business performance. However, practitioners also believe their organizations are not prioritizing IC and their initiatives lack a clear purpose. Only 30% of respondents agree that their organization articulates the importance of IC and less than half agree that their management understands the importance of internal communications.

While both employees and management agree that internal communications is important, IC priorities, tools, and processes are not consistently where they should be.
The chart above breaks out organizational sentiment toward employee communications functions by program success. The data shows that leading organizations have found a way to effectively market the importance of their function. In organizations with very strong IC, over 90% of respondents “agree” or “strongly agree” that their organization clearly articulates the importance of internal communications.

**KEY TAKEAWAYS**

1. Most believe internal communications is important, but only 30% of organizations are prioritizing it
2. Management needs to understand the importance of internal communications and how it impacts employee engagement
3. Internal communications needs to be clearly articulated and tied to business performance
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ACTIVITIES AND MEASUREMENT

For benchmarking purposes, the survey seeks to understand how practitioners spend their time and how they measure the success of their programs. Generally, leading programs use a variety of means to measure the success and impact of their initiatives.

WHICH OF THE FOLLOWING DO YOU USE TO MEASURE YOUR INTERNAL COMMUNICATIONS?

The top chart shows that most organizations (~60%) use employee engagement surveys to measure IC. This is the most common method of measurement followed by intranet usage analytics and company meeting feedback. On the other hand, approximately 1 out of 5 companies don’t measure internal communications at all.
Continuing from the previous page, the bottom chart shows the same data broken out by IC program strength. The major takeaway here is that leading organizations use a variety of means to evaluate the success of their programs and don’t rely on a subset of metrics. In contrast to the general population, intranet analytics is the most common method of measuring internal communications when it comes to the leaders in internal communications. Furthermore, leadership feedback is used 150% more in the “leaders” segment compared to the rest of the general population. In contrast, nearly half of poor and below average programs don’t measure internal communications in any form.

Respondents are generally involved in a broad range of IC and alignment activities. Over half of respondents are involved in each activity listed, and at least 20% are extensively involved in everything. Most internal communicators focus their time on the organization’s corporate announcements, communicating organizational changes, and relaying management’s vision and strategy.

The study also looked at communications channels, tactics, and technologies. The data and analysis are in the “Internal Communications Technology” section later in this report.
If you’re not using video, you should! Here’s why:

Among the various communication methods evaluated, video usage in IC has the strongest positive impact. Leading IC programs use video significantly more than lagging programs. Simply put, from an employee’s perspective, videos are more interesting, faster, and easier to consume.

Here’s the good news, video production does not have to be costly or time-consuming. To get started, Simpplr’s Definitive Intranet Content eBook provides many compelling video ideas that employee communications teams have used to spur engagement.

**KEY TAKEAWAYS**

1. The most common method to measure IC is through employee engagement surveys, followed by intranet usage analytics
2. To effectively measure your IC program, do not limit yourself to focusing on a single method
3. Leadership feedback is critical for the success of your IC program
COMMON INTERNAL COMMUNICATIONS CHALLENGES

This section discusses the frequent challenges encountered by internal communications professionals and segments how those challenges differ among leading and lagging programs.

**WHICH OF THE FOLLOWING ARE COMMUNICATIONS CHALLENGES?**

- EMPLOYEES AREN’T ENGAGED OR INCENTIVIZED TO PARTAKE IN COMMUNICATIONS
- BAD INTERNAL COMMUNICATIONS TECHNOLOGY
- LACK OF HELP PRODUCING CONTINUOUS COMMUNICATIONS (E.G., CREATING NEWS AND CONTENT)
- LEADERSHIP IS NOT ENGAGED
- TOO MUCH COMMUNICATION (THAT IT REDUCES FOCUS)
- TOO MANY DISPARATE COMMUNICATION CHANNELS
- MY ROLE IS NOT SEEN AS STRATEGIC OR CRITICAL
- NO CLEAR STRATEGY FOR ME TO COMMUNICATE
- OTHER

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Generally, the most prevailing challenges are:

1. Finding ways to encourage and incentivize ongoing employee engagement
2. Overcoming technology issues

The research finds more than half of organizations struggle with both of these.

It is evident that the magnitude of these challenges are much stronger in the “below average” programs. Interestingly, “leaders” in IC generally report more struggle with too much communication.

This data can be used by IC practitioners to understand which improvements will yield the most favorable outcomes. Specifically, as the quality of internal communications increases, the percentage of organizations reporting problems with strategy, poor technology, and leadership engagement all strongly decrease. Leading organizations have found ways to solve these problems, while others continue to struggle. Given these findings, the remainder of the report dives deeper into the topics of organizational alignment, leadership involvement, and communication technology.

KEY TAKEAWAYS

1. More than half of organizations struggle with finding ways to engage employees in internal communications and finding the right technology for employees to use
2. Unclear strategy, poor technology, and a lack of leadership engagement have direct impact on the quality of IC

Organizations with leading IC programs separate from the pack with strong organizational alignment, leadership involvement, and communications technology.
One of internal communications’ primary functions is to clarify company updates and crystallize strategy. One way to ultimately gauge the success of an IC function is to evaluate how well employees can recite the messaging being emphasized. This section looks at how well employees can recite these various themes.

This is critically important for reasons:

1. Rowing teams can only achieve terminal velocity when they’re rowing in the same direction. The same holds true in business.

2. Employee understanding of goals and how their job relates to the overall strategy is one of the most important contributors to employee engagement. It’s hard to be an engaged employee if the individual isn’t clear on what’s going on.

This chart shows that there is considerable room for improvement across a variety of metrics on corporate alignment. Under 30% of respondents say that their employees could comfortably recite any variety of strategic markers.
As these metrics are broken out across cohorts, there is strong correlation between these outcomes and the perceived overall program success.* Leading organizations take the time to measure how well employees can recite priorities. This reveals a best practice most programs should incorporate to measure impact.

* Notably, since intranets are the most impactful communications technology for IC programs (see the technology section), practitioners should also focus on communicating the purpose of the intranet itself. This is important to drive ongoing engagement in the technology.

**KEY TAKEAWAYS**

1. An effective way to evaluate the success of your IC program is to measure how well employees can recite company priorities and goals
2. Employees’ understanding of their job and how it relates to the overall strategy is one of the most important contributors to employee engagement
INTERNAL COMMUNICATIONS GOVERNANCE

Earlier in the “Organizational Alignment and Employee Recall” section, the study reveals how most organizations still struggle to clearly articulate the importance of internal communications. Without this understanding, numerous other challenges start to follow, such as problems with employee engagement, management participation, and resource constraints.

Simpplr Research has long prioritized governance as one of the most important keys to employee communications success. Governance is defined as: a set of policies and an administrative structure (across departments and locations) that enables decision-making and planning processes for your communications strategy.

As the internal communications group is ultimately tasked with connecting and aligning employees across departments and locations, aligning organization and accountability is important. Intuitively, you can’t align an organization without joint representation, buy-in, and accountability.

Data shows that governance is a severely hidden risk which many practitioners fail to appreciate. At the same time, governance is proven to consistently be a key driver of employee communications.

DO YOU HAVE A CROSS-FUNCTIONAL GOVERNANCE COMMITTEE (A TEAM THAT SPANS DEPARTMENTS) TO ALIGN ON INTERNAL COMMUNICATIONS, MESSAGING, AND COMMUNICATIONS TECHNOLOGY (E.G., INTRANETS)?

WHICH OF THE FOLLOWING FUNCTIONS ARE REPRESENTED ON YOUR GOVERNANCE COMMITTEE?
Despite the importance of governance, roughly a third of organizations have governance committees focused on employee communications. Among the 36% that do, most have representation among marketing, IT, and human resources while some have broader participation.

Most importantly, governance proves to be a best practice with a strong correlation to IC program success. The bottom line is, organizations should consider implementing governance committees that meet regularly.

**KEY TAKEAWAYS**

1. Governance is consistently proven to be a key driver of employee communications
2. Not only is governance a best practice, it also has a strong correlation to IC program success
LEADERSHIP INVOLVEMENT WITH COMMUNICATIONS

This section dives deeper into leadership involvement in internal communications. Despite the ongoing challenges, internal communicators also have to garner leadership’s attention. Leadership’s engagement is important since it ultimately sets the tone for the rest of the employees. Otherwise, organizations will continue to struggle to communicate the company vision and fail to align the workforce.

MY MANAGEMENT UNDERSTANDS THE IMPORTANCE OF INTERNAL COMMUNICATIONS

Generally, organizations that excel in internal communications have leaders who understand the importance of IC. Among respondents in organizations with excellent IC programs, 100% of respondents either “agree” or “strongly agree” that their management understands the importance of internal communications. In stark contrast, none of the respondents in lagging organizations responded “agree” or “strongly agree” to the same question.
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HOW ENGAGED ARE YOUR EXECUTIVES IN INTERNAL COMMUNICATIONS?

The fraction of participants responding “agree” or “strongly agree” is strictly increasing in the quality of internal communications. Furthermore, there is the same monotonic, increasing relationship if management is used as the explanatory variable. The probability of an organization having strong internal communications increases with management’s engagement and understanding of its importance.

This suggests (not surprisingly) that having management that both understands and cares about internal communications is crucial for establishing strong internal communications.
If leadership is engaged, communications teams should assess which activities they’re using to promote leadership and facilitate their communications. In the chart titled “What tactics do you use to promote your leadership?”, the “leaders” and “above average” cohorts show collective usage of a much broader mix of activities. Notably, leadership engagement with the company’s intranet, videos, and frequent company-wide meetings show the strongest impact and separation among groups. Interestingly, “email communications” and “townhalls” are widespread across the board and do not show large impact among cohorts.
I get it. Management needs to care. But how do I get them to care?

1. **Map communications to their priorities!** Don’t try to create new initiatives. Instead, show how employee communications can help the organization promote, focus on, and deliver toward existing priorities.

2. **Make it easy.** Give leadership a roadmap of what they need to do to become better communicators and show how you’ll do all of the heavy lifting.

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**KEY TAKEAWAYS**

1. Organizations struggle with communication without leadership engagement
2. The probability of an organization having strong IC strictly increases with management’s understanding of its importance
3. Leadership engagement with the intranet, videos, and frequent company-wide meetings show the strongest impact and separation among leading vs. lagging groups

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Need a playbook for leaders to beat the drum?

See Simpplr’s blog post: [The CEOs Content Playbook](#) for creative ways to have leaders continuously beat the drum with employee communications.
INTERNAL COMMUNICATIONS TECHNOLOGY

In the “Common Internal Communications Challenges” section, the data shows that technology continues to be a big pain-point for struggling programs. This section dives deeper into technology adoption and double-clicks into intranet usage since the results show that intranets continue to be IC’s most important technology.

According to the data, communication modes and technology usage vary widely across the survey respondents. On one end of the spectrum, email usage is nearly ubiquitous (although “leaders” use emails considerably less than the other four cohorts). On the other hand, nascent technologies like mobile messaging platforms are not widely adopted. Naturally, the communication methods vary widely across industries.
Despite the widespread perception, the intranet remains the most important technology vehicle for internal communicators!

This chart shows which technologies are strongly associated with IC program success. This data helps practitioners understand which channels have the strongest impact so they can prioritize them accordingly. Specifically, the chart shows how an organization’s mean IC score changes based on whether an organization uses (or doesn’t use) a given technology.

It’s easy to see that intranets have the highest change of any technology. The difference in IC ratings between intranet users and non-users is almost double that of the next highest technology. It’s important to avoid interpreting the usage of a single technology at the expense of others. Most leading organizations use a mix of approaches. Given these results, the rest of the section focuses on how to improve and properly implement an employee intranet.

To put it in perspective, the mean score from the question, “How would you rate the current state of your internal communications?” is 3.18 on a 5 point scale across 411 respondents. A half-point difference is significant once we control other various technology usage.
Like many of the other best practices, regular employee intranet adoption is strongly associated with the primary outcomes of program success and employees’ ability to recite corporate priorities.

Similar to intranet adoption, internal communications’ perception of their intranets follow a similar pattern among cohorts.
Earlier, the report highlighted a blindspot where many overlook the importance of interdepartmental collaboration and communications governance. Similarly, many practitioners fail to clearly define and communicate the purpose of their programs and their intranets. In reality, organizations need to do both. According to this dataset, an overwhelming majority (~80%) of intranets are deployed without stated goals or charter.

However, there is a clear trend in the strength of internal communications and the presence of intranet goals and charter. The percentage of organizations with stated intranet goals strictly increases with the strength of IC.

A clear understanding of the intranet’s purpose increases employees’ ability to recite corporate goals and the state of internal communications!
Finally, having employees who understand the intranet’s purpose tie well to each of this study’s major outcomes. As the understanding of the intranet’s purpose increases, the ability to recite corporate goals, the state of the intranet, and the state of internal communications all strictly increase. At organizations where employees fully understand the purpose of their intranet, employees are over 25% more capable of reciting their corporate goals compared to companies where employees do not understand the purpose of their intranet.

Remember: Intranets that do not have stated goals or a charter FAIL!
Simpplr is the most effective intranet

This chart shows the various vendors who had a sufficient sample to evaluate relative impact to the “State of Internal Communications” outcome. All solutions have a favorable association except for one: Google Sites. In fact, Simpplr shows the strongest impact as it is the most aligned with communications personas (as opposed to IT use cases), and it is an intranet technology (as opposed to enterprise social platforms). On the other hand, a customized platform approach (e.g., Google Sites) has a negative association with program effectiveness.

KEY TAKEAWAYS

1. The intranet is still the most important technology vehicle for internal communications
2. To optimize the effectiveness of your IC program, leverage your intranet along with a mix of other technologies
3. Do not limit your organization to only using email communications — leading organizations actually use email less frequently

Companies that only use email have lower internal communications scores than those that use a mix of other technologies.
CONCLUSION

A renewed focus in employee engagement elevates the internal communications function and partially explains why the profession is in transition. This year’s study shows a wide variance across companies. While most practitioners believe IC is critically important, many struggle to sell the importance to the rest of their organization.

Most organizations also share common communication challenges, but leading IC programs separate from the pack with better:

• Articulation of strategy
• Use of technology
• Engagement by management

Based on this year’s research, here are more specific ways many organizations can improve:

• Market internal communications! Consistently promote why your function exists, what you’re trying to achieve, and how you aim to improve employee engagement.
• Rather than measure program success by one or two metrics, broaden the tactics used to measure success.
• Measure how well employees can recite company goals and priorities. It will provide insight into how well company news is landing and often show why further investment in communications is needed.
• Bulldoze, guilt, and pressure leadership into doing their part. Whether you like it or not, their engagement partially drives program success.
• Internal communications is as much a game of alignment as it is of promoting company news. Ensure adequate time is spent building and aligning a cross-functional governing committee.
• Take a look at your internal communications technologies and prioritize investment and time spent based on approaches that drive the most success.

The data provided in this study provides the ability to benchmark your current program and show which focus areas have the strongest impact on IC program success.

To learn more about Simpplr Research or Simpplr products, visit simpplr.com.
Simpplr is today’s modern employee intranet. Our software helps companies connect their workforce by streamlining internal communication and forging employee connections.

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