

State of the Sector 2021

The definitive global survey of
the internal communication and
employee engagement landscape



The original influencer

In a time where ‘likes’ leveraging and hashtag harnessing are crucial comms currencies, our ability to influence colleagues, leaders and future employees alike is priority number one. For 13 years, our State of the Sector report has been flexing its muscles and continues to stay firmly at the vanguard of what’s trending in internal communication.

For those of us who produce it, State of the Sector presents an opportunity to delve deep into the world of communication; to find out what makes comms pros tick, what makes them balk, what motivates people to keep pushing forward, and to keep up with what good—and bad—looks like.

For those of you who consume it, State of the Sector presents an opportunity to benchmark yourself, to identify gaps in your practices, to understand how and where you can improve, and to access the tools needed to make sure your messages continue to be heard.

Supported by...



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After what has been an undeniably extraordinary year, we've decided to take a somewhat different approach to the way in which we report the survey findings this time around.

We know that 2020 was a lot to deal with—and we all had to adjust our approach to most things in order to just keep going.

Internal communicators had to become master adapters, able to pivot their skill sets in response to seemingly endless challenges and shifts in priority; and—even though, in many ways, 2020 was the worst of times—our profession managed to become a shining light in the darkness as we delivered messages of hope, clarity, and togetherness.

That's why we wanted to help you look at our State of the Sector findings from a slightly different viewpoint, and position the report as a useful guide to navigating the holistic communication challenges brought by the age of employee experience (more on that later!) in the wake of 2020.

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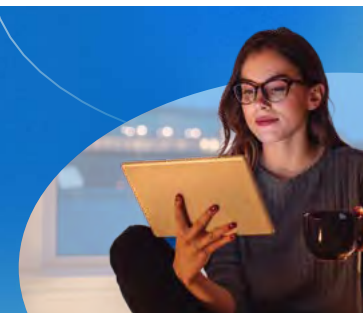
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More than a decade of insights

Since 2008, State of the Sector has painted a fascinating picture of the evolution of the internal communication and employee engagement landscape.

The emergence of digital channels

While face-to-face continued to dominate the internal communication channel landscape, digital channels slowly started to expand beyond the use of email announcements and intranet

Professional confidence rises

As employee communication pros earned the respect of leadership teams, practices become more professional and content evolved to reflect this—and the rise of all things digital perfectly bolstered that big-picture thinking

Noisy organisations

As a result of multiple digital channels flooding the communication space, the sheer amount of messaging became overwhelming for employees and engagement took a hit

Talking tactics

Understanding how practitioners made their voices heard was our primary objective in the first few editions—and tactics and channels were our key areas of focus

The rise of social networks

Collaboration and knowledge sharing were on the radar this year and the challenge of establishing decent two-way communication channels was big news

The Office 365 effect

Communication teams struggled to incorporate IT-backed Microsoft products into their channel framework, leading to poor governance and confused user proposition

Prioritising people

A shift from focusing on digital strategies to the people agenda is a definite sign of the times—as is a stronger focus on wellbeing, flexible working and improved crisis comms protocols

2008

2012

2014

2016

2017

2018

2020

A look back at 2020

After a tumultuous year, it is positive to see that employee communication teams have not been subject to considerable restructures (see Focus 1—Resources and reporting lines). Of course, this sadly isn't the case in every organisation—some of which have had to make difficult decisions; but the fact that, on average, internal communication teams have remained a similar size is evidence of the importance placed upon them. In fact, later responses showed that two thirds of internal communication (IC) professionals believe their level of influence within their organisation has increased during the course of 2020.

Of course, we know from our regular conversations with internal communicators, that their workload has increased in 2020—many IC professionals are now effectively taking on the work of more than just one person due to the urgency of the COVID-19 situation, and the huge amount of change which has had to be communicated and embedded.

In fact, when we polled people at the start of the pandemic*, 1 in 3 communicators said they were struggling with a lack of human resource in internal communication, 2 in 5 felt under pressure to deliver, and 1 in 5 felt considerably overworked.

Add to this the fact that most internal communication teams have seen their budgets cut drastically and have, as a result, had to think very carefully and strategically about their spend and return on investment, and it makes for a very challenging year.

But, every cloud has a silver lining: 1 in 2 said they felt stimulated by the challenge, and proud of themselves and their team.*

So what has been achieved this year, and how will IC teams keep up the momentum in 2021?

* Pulse survey conducted in April 2020 based on 135 responses.



2/3

internal communication professionals believe their level of influence has **increased** during the course of 2020.

Who responded?



800+
responses

Over 34 industries represented



Banking and finance **10%**
(excluding insurance)



Local and central government **8%**



Healthcare **7%**



Technology **7%**
(excluding hardware)



Education **5%**

45 countries represented



United Kingdom **57%**



Continental Europe **14%**



Latin America and the Caribbean **1%**



North America **20%**



Asia Pacific and Oceania **7%**

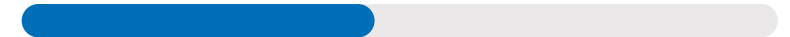


Middle East and Africa **1%**

Organisation size

<500 employees

14%



500-2,499 employees

27%



2,500-9,999 employees

22%



10,000-49,999 employees

19%



50,000+ employees

18%



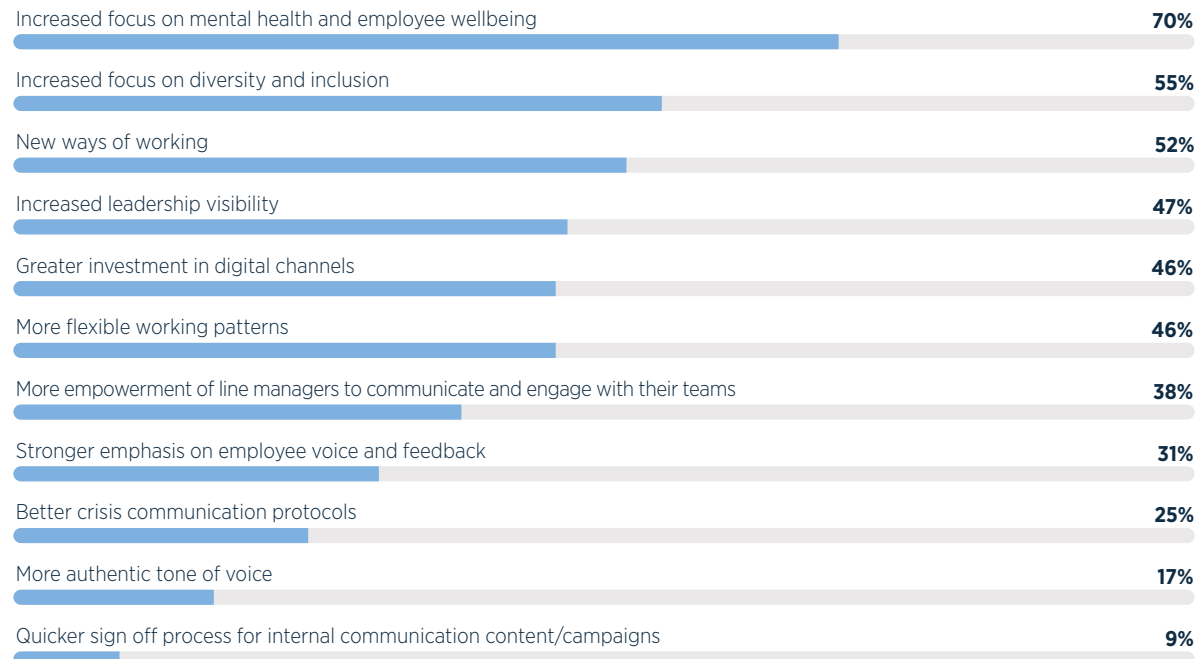
The impact of COVID-19

We know that the COVID-19 pandemic has forced organisations to rethink their priorities, but are these trends here to stay?

Unsurprisingly, an increased focus on employee wellbeing, followed by diversity and inclusion and new ways of working, came up as the top three trends that will impact organisations in the long term—pleasingly, all linked to improving the end-to-end employee experience (EX).

It's disappointing, however, to note that organisations didn't take this opportunity to adopt a more 'agile' way to develop content via quicker protocols, or to embed a more authentic tone of voice.

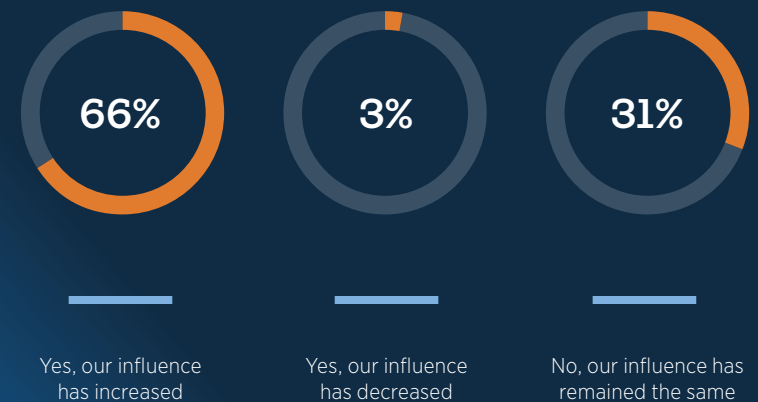
Which of the following post-COVID-19 trends will your organisation be building on in 2021?



Rise in influence

There's no denying that the COVID-19 pandemic has brought about a number of challenges for organisations to overcome. As a result, a considerable 66% of respondents say their level of influence on senior leaders has increased over the course of 2020. An interesting finding is that the evolution of IC influence on leadership differs between regions: UK-based professionals were more likely to indicate a higher level of influence (71%) compared to North America (54%). This may be down to the fact that, historically, North America-based internal communicators have focused heavily on supporting leadership communications, so there may already be positive relationships in place.

Has your level of influence on senior leaders changed as a result of the COVID-19 pandemic?



Trends for 2021



Trend 1

Digital experience:

it's time to raise the bar

When you think about the world outside of work, the digital space is usually the first place a brand impacts its users. Perhaps unfortunately for employers, the same rules now apply when it comes to the way an employee interacts with their organisation.

Done badly, technology at work can be the ultimate frustration for employees. And, however you may feel about it, remote working is probably here to stay.

So how have organisations pivoted to an online engagement strategy in the wake of COVID-19?

We found that digital is one of the least well-defined components of the employee experience ([see Trend 2—Employee Experience](#))—and, alarmingly, many organisations aren't even planning to look at this. Yes, we've seen an increase in web calls, mobile apps, messaging apps, and collaboration platforms such as Teams, Yammer and Zoom; but what sort of engagement is digital really driving? And is the focus on digital—and the complex levels of noise it creates—actually detracting from the delivery of quality content?



A changing channel landscape?

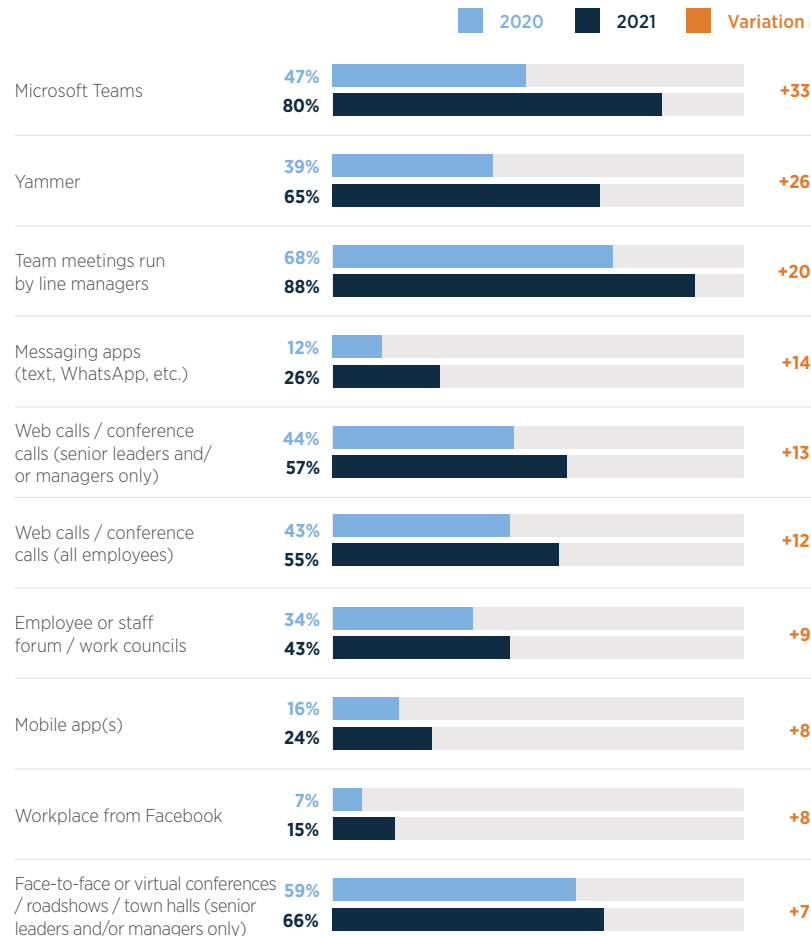
It's March 2020, and hundreds of millions of employees are sent to work from home with little-to-no tangible plan in place for the majority of organisations. Overnight, employers had to rethink their ways of working and processes to ensure business could continue.

As a result of this, we expected to see huge shifts in channel use this year and were surprised to find relatively limited changes. However, as many organisations rolled out new technology in response, there were a few clear winners: unsurprisingly Microsoft products, the easiest solutions to roll out, came out on top here, but the use of Workplace from Facebook has also nearly doubled, and mobile apps have gained ground too. There was also a significant increase in the importance of line managers as a communication channel—both the use of town halls and the importance of team meetings. In fact, when you take a closer look at the data, it's clear that while face-to-face channels are deemed very effective, the success of mobile apps and Enterprise Social Networks is considered inferior—suggesting that in some instances new technology has been rolled out too quickly.



For a more detailed overview of Channel use, go to see page 36

Channels whose use increased most over the course of 2020



Is content still king?

When it comes to digital, it's easy to focus on technology and lose sight of content. With the multiplication of channels, organisations find themselves having to share messages with employees across multiple channels.

There are two sides to developing a content strategy—the first is to have clarity on the purpose of each channel, the second to take an editorial approach to content. Here, half of organisations said they had this in place (see Focus 2—Planning).

In a rapidly changing environment, which of the following documents do you currently have in place?



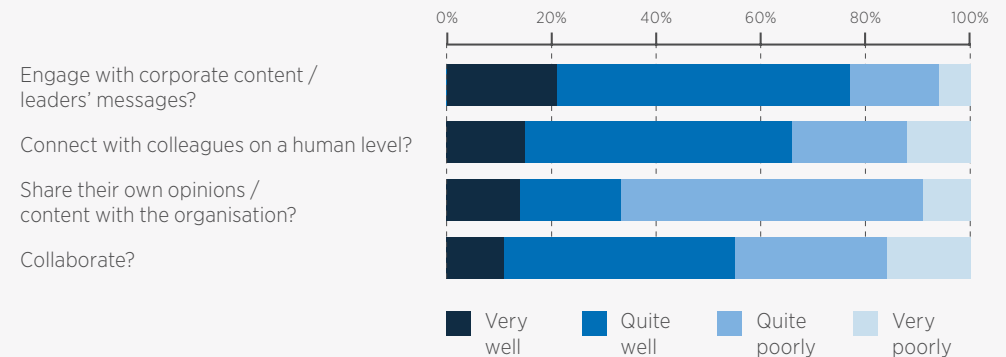
Call the helpline

We wanted to understand what kind of experience digital channels create for employees.

Unsurprisingly, three quarters of respondents said that they performed well when it came to sharing corporate content and supporting leadership visibility. Around two thirds also found that they were a useful tool when it came to connecting on a human level (66%) and enabling people to share their opinions within their organisation (58%)—very positive results.

Perhaps more surprisingly, digital channels didn't rate so well when it came to enabling employee collaboration. While 55% of respondents told us that their digital channels help colleagues collaborate virtually, just a quarter of these (11% of the total sample) said they do a 'very' good job of this.

How well do you think your digital channels help employees...



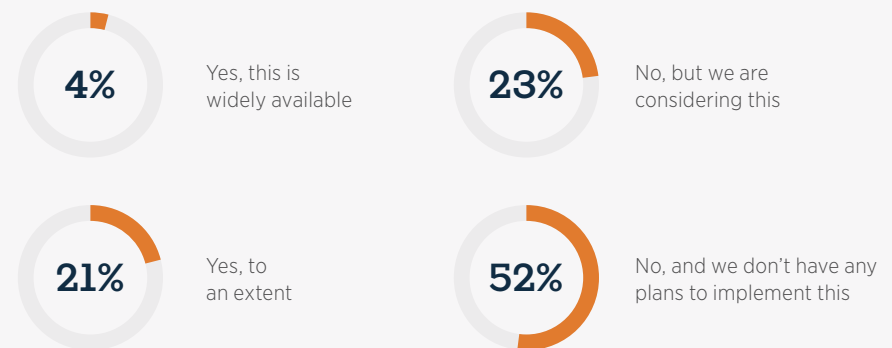
Unachieved potential

The potential of digital is huge when it comes to improving content provision—and it keeps expanding every day.

Yet we found limited evidence that organisations are tapping into this potential. Despite indications last year that artificial intelligence would start to become a big trend in the first half of the decade, only 8% of organisations are using this (a slight increase from 5% in 2020) and just 1% are looking to introduce this kind of technology—even though 30% predicted an increased use of AI in the future.

Asked if employees have the option to customise the communications they receive, only a quarter said that some sort of customisation is available. Here again, 42% of respondents named subscription centres as a key trend for the future.

Is it possible for employees in your organisation to choose how they receive communications (e.g., subscription / preference centres, etc.)?



Digital EX: the Gallagher view

Panic over! Time to get this nailed

If you rewind 12 months, did you really get time to think about your digital experience beyond: **‘WE’RE GOING INTO LOCKDOWN... CLOSE THE OFFICE...ROLL OUT TEAMS!!!’**

Probably not. And we’re guessing your IT department probably pushed you into using the solutions that were already there (but not in use—funny that!), instead of the solutions you really needed. But who can blame them? We all had to think on our feet in a way we never had before.

But that was then, this is now.

Just because a channel ‘got you through’ lockdown, it doesn’t mean you owe it anything. If it doesn’t solve your current and future problems, switch it off.

We’re no longer in ‘unprecedented’ (yes, that) territory. It’s time to think about defining the purpose of your digital experience: What do you want it to do? What experience do you want to create for your people? How will it help you work smarter, collaborate and bring your culture to life?

Ultimately, it should be an enabler, removing barriers to allow your people to be awesome. Is it?

‘Users’ are people too

Worryingly, at a time when we need it more than ever, it appears we’ve put channels in place that don’t actually enable us to connect with colleagues on a human level.

Working from home hasn’t exactly changed how we use digital; it’s simply highlighted the fact that, for many of us, our digital proposition doesn’t even stack up against the most basic tech in people’s back pockets.

It looks like it’s finally time for that review with the CTO. And, while you’re at it, think about creating a place for virtual ‘watercooler moments’ too—after all, the art of conversation isn’t dead because we now have send out a calendar invite to chat.

It’s important to remember that life will return to normal as soon as it can, albeit with a significant increase in demand for real human contact—which means mixing the old and the new in a sustainable way is the agenda to crack.

This is about creating communities, embracing sharing, championing three-way comms, being more human.

The question is are you ready?

Have your digital channels got the WOW factor?

Slack, Miro, Mural, Zoom, Teams, Workplace, Yammer... Going digital wasn’t the only thing that changed in 2020—the very essence of how we work evolved as well.

But when you think about your digital experience, does it honestly fit the need of your employees? Does it actually align with your established ways of working? Or have you been operating from a ‘make do and mend’ viewpoint with an ‘it’ll do for another month or so’ mantra?

Whichever category you fall into, organisations need to think about how to use this moment to shift their digital culture and ways of working—and thinking more carefully about how to match your channel with the type of communications you want to share is a good place to start.

So before to get started, stop and think. Stop and really think.

Do your channels fit with how you work as an organisation? How applicable or capable is this channel at achieving success? Is this channel relevant for what you need to communicate? Or has your WOW changed so much, you no longer know the answer?

What’s the best way of working this out?

Turn on, tune in, or drop out

Digital content is different to anything ‘analogue’. Fact.

So why, in 2021, do only half of IC functions have channel-specific editorial calendars or a channel framework in place? It's kind of ridiculous, when you think about it.

Want to keep up? A comprehensive channel framework with a pipeline of relevant content for each channel is essential. We're not talking 'nice to have' here—we're talking 'turn on, tune in, or drop out'.

Unless we start viewing channels from a media broadcast sense, using data to inform what goes where and when, wasted opportunity will become a daily item on that ever-lengthening to-do list. And unless you start thinking about keeping your tone more conversational, creating 'stuff' that no-one consumes will soon become your calling card. And nobody wants that.

This is where internal brand maturity comes into play—and having a specific voice, tone and purpose and strategy for each channel is the only way to get this right. Adding the layers of sophistication needed to make content appeal to the masses (without alienating the few) is not an easy thing to do.

[If only there were some digital content experts out there who could help...](#)

Digital experience: have you got enough?

The world has changed, and—whether you signed off on it or not—so has your job description.

Thinking about which digital channels you're going to use to reach today's switched-on audiences is just the start; you also need to consider how the internal communication function can operate differently—and how you can upskill to ensure your role evolves with the technology.

So, be honest: do you really understand digital? Digital content, digital experience, digital engagement, digital EVERYTHING.

As daunting as it may be, digital content strategies, campaigns and measurement need to become BAU ASAP.

But remember: learning, evolving and adapting is where the real professional rewards can be found—it's there if you know where to look.



Drew Munn

Future Impact Advisor



Kevin McDougall

Employee Experience Director

Trend 2

EX:

yet another buzzword?

Employee experience. Is this phrase on your radar yet? If not, it soon will be. Because, whether your organisation is embracing it at the moment or not, the age of employee experience (EX) is officially here. And, because business leaders are becoming increasingly aware of the impact that even the most minor day-to-day interactions with an employees can have, everything you do as a communicator will work to influence this.

As a concept, EX has been around for a while. But is it a tangible business outcome or just another buzzword? Are organisations actually starting to take a similar approach to the tech giants' customer experience (CX) with their people internally?


Let's face it, no matter what business you're in, delivering great CX is hugely important—after all, the more positive an experience a person has with you, the more likely they are to come back.

The same can be said when you look inside your organisation and focus on EX; because when it comes to employee engagement, there's certainly a lot to be taken from the way expertly-delivered CX commands brand loyalty.

Employees are now organisational consumers and EX has to be a crucial part of your employee value proposition (EVP)—which is why it should be hard-wired into everything you do.

People are the very purpose of communication; they are the 'why?' that determines the narrative of future success. Recognising that point and advocating for your people, using tangible insight to meet their very personal expectations, is the key to building trust and better places to work. And providing better places to work creates a corporate community to be envied—which, in turn, leads to increased productivity, reduced attrition and better overall organisational wellbeing.

So what does this mean for your organisation? And, more importantly, what does it mean for you in your role as a communicator?



Digital experience is one of the least well-defined components of the employee experience.

The road to good intention...

Although two thirds of organisations say that EX is discussed at C-suite level, only half of these have formalised what EX means to them and how they intend to approach it.

And while it might be encouraging to see that a people-centred approach is firmly on the radar right now, despite best intentions, **the numbers clearly demonstrate that it's still early days for EX**—meaning now is the time for internal communicators to start leading the conversation around what is sure to be a hot topic this year.

Is the employee experience discussed at C-suite level in your organisation?

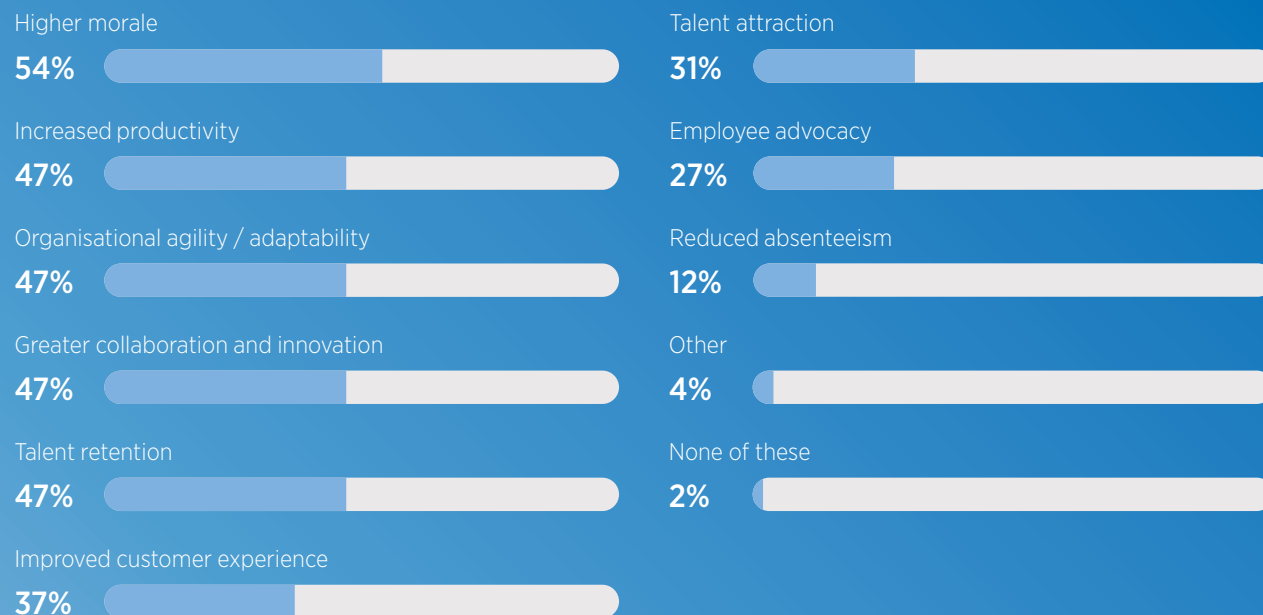


Let's talk about EX

So what motivates organisations to invest in EX? And what makes C-suite leaders listen when it comes to building a case for buy-in?

When it comes to the specifics that communication teams bring to the table, it seems that executives respond best to the ideas that can change organisations from the inside out—which is why higher morale (54%), increased productivity, organisational agility, greater collaboration and innovation and talent retention (all 47%) resonate the most. By contrast, reduced absenteeism resonates in just 12% of organisations. And while this is all very well and good, it's a little disappointing to see that the impact of EX on CX and employee advocacy is still not established yet. Surely these are better areas of focus when it comes to future-proofing organisations in today's corporate landscape?

What do you think resonates with your executives when discussing the benefits of internal communication and EX?



EX in practice

When it comes to implementing EX, collaboration + strategy = a match made in heaven!

But while we're seeing clear, positive trends when it comes to holistic organisational working practices, the strategy side of things is still a little hit and miss. Even the most common formalised philosophies, the purpose, culture and vision and an approach to learning and development, are only currently in place in around 3 in 5 organisations (60% and 56% respectively), although a third say these are in development, which is encouraging. These are still far more widespread than those EX components relating to ways of working, the workplace experience and the digital experience—all of which have been severely impacted throughout 2020, which should be a huge wake-up call for all organisations. That said, encouragingly, 1 in 2 organisations have plans to develop a clear strategy for each of these components.

Does your organisation have a clear strategy for each of the following components of the EX?

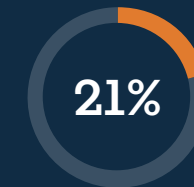
	Yes	In development	No
Purpose, culture and vision	60%	31%	9%
Learning and development	56%	35%	9%
Employee value proposition (including reward, benefits, recognition, diversity and inclusion, and wellbeing)	46%	42%	12%
Ways of working (including collaboration and innovation)	27%	54%	19%
Digital experience and technology	27%	46%	27%
Workplace experience (including for those working from home)	24%	53%	23%

“Ways of working, digital experience and workplace experience are the least fully formed components of EX—even though a large number of organisations are currently redefining these.”

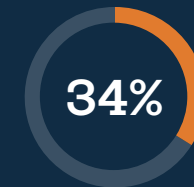
Positive steps

Just 1 in 5 organisations have taken positive steps to remove inter-departmental silos and create dedicated, multi-skilled taskforces to define and embed the EX, with an additional 35% describing high levels of collaboration in the absence of a formal working group. This leaves just under 1 in 2 (45%) with very limited collaboration between departments to shape the EX—and, despite individual teams' best efforts, the **lack of consistency is likely to be detrimental to this hugely important initiative**.

Which of the following best describes your organisation's approach to EX?



There is a cross-department working group in place to define and embed our EX



There is no formal group, but a high level of collaboration



There is limited collaboration between departments to shape EX

EX: the Gallagher view

It's time to re-think how you influence EX

Today's organisations think in silos; of course they do—they're structured that way.

For today's employees, however, there is just one singular reality when it comes to how they think about their employer, and that focuses on the question: 'What experience do you create for me as an individual?'

As an internal communicator, this is how you need to think about the EX.

A daunting task? Yes.

It's clear that, although organisations have woken up to the importance of EX in the wake of 2020, this remains a poorly-defined outcome that's often confused with the employee cycle (from hire to retire).

But EX presents a real opportunity for internal communicators to elevate conversations with leaders, position themselves as business advisers and influence business decisions.

At Gallagher, we've identified eight impactors of EX ([see page 18](#)). Considering the number of stakeholders to get on board for each, addressing all of them at once is NOT easy—so pick your battles wisely.

Break it down into smaller work streams, find a sponsor at executive level and set up a task force. No matter what you decide to tackle first, look to the future to anticipate where your organisation needs to be in five years time, and constantly bring the conversation back to how EX impacts CX, advocacy, innovation... and the bottom line.



Ben Reynolds

Global Managing Director,
Employee communication practice



Susannah Hines

Client Services Director,
Employee communication practice

Start thinking...

1

How can I approach EX more holistically?

2

To improve our EX, how do I influence every touchpoint of our value proposition?

3

[How can a joined-up communication strategy and plan across all areas of our EVP improve our EX?](#)

4

I CAN influence EX, because I understand people—and how they, think, feel and take action

5

If we get this right, the company looks good, our people are happier and healthier, and we improve our overall organisational performance

The eight influencers of employee experience



Trend 3

Change: the 'new' new normal?

When you consider the events of the past 12 months, organisations all over the world have had no choice but to make change a key business priority—meaning communication teams have got a lot of work to do.

But communicating change as a consequence of an operational shift is different to other comms initiatives. And because most people are resistant to change at work, effective change communication is essential when it comes to taking your employees from passive observers to proactive advocates.

Without the right communication plans, creative ideas and authentic messages, employees can become uncertain and remain resistant to change—it's basic human nature.

The truth is, nothing can change without communication. But it's important to remember that people often start from a position of scepticism when it comes to change—then to think again about how you articulate the necessity of the transformation at hand.

So do this openly and realistically, make your narrative simple and compelling, understand the mindset, experience and expectations of your audience (all of them)—and, above all, make sure it's engaging.

43% of organisations have culture change programmes planned in 2021.

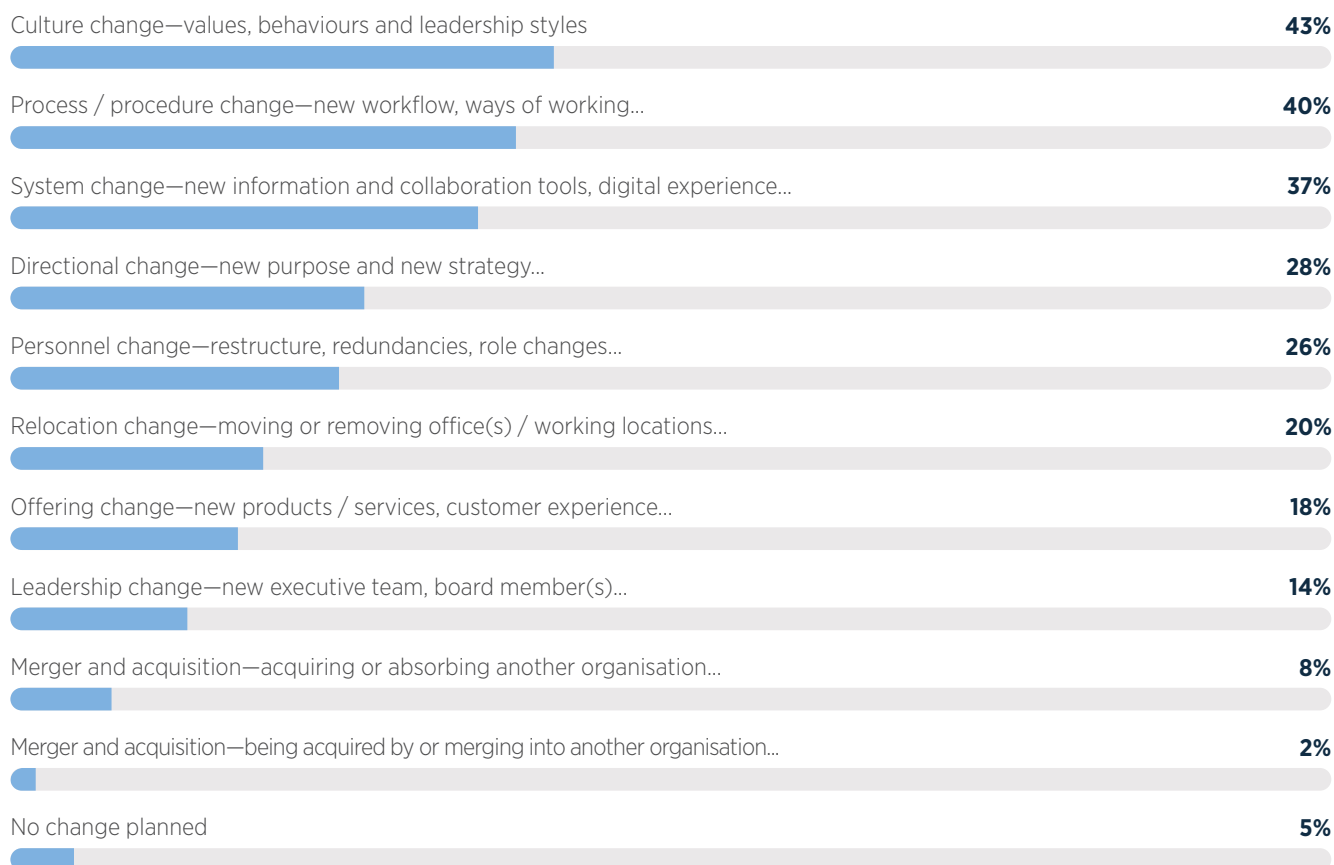


The new face of change

So, what changes do organisations have planned for the year ahead? Lots of them, as it happens—just 1 organisation in 20 has no change programme planned for 2021.

Culture change tops the list, with employers intending to revamp their values and behaviours in 2021; while just over a quarter of organisations (28%) are planning to pivot their vision and strategy, which will feed into the behaviours they must adopt and the values they must exhibit to deliver on the new vision.

What, if any, change programmes does your organisation have planned for 2021?



“ The truth is, nothing can change without communication.

Top 3 change programmes by region



United Kingdom

1. Culture change
2. System change
3. Process / Procedure change



Europe

1. Culture change
2. Process / Procedure change
3. Personnel change



North America

1. Process / Procedure change
2. Culture change
3. System change



Asia Pacific

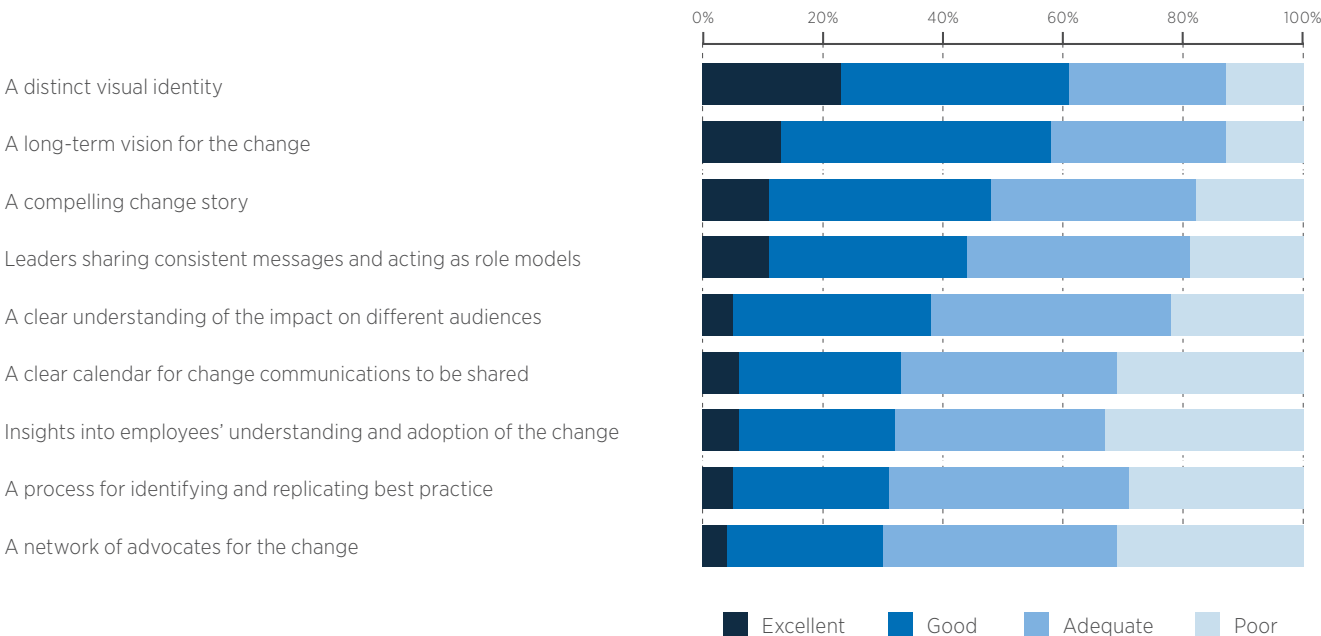
1. Process / Procedure change
2. Culture change
3. System change

Where organisations fail

Unsurprisingly, organisations generally succeed with the ‘easy’ stuff that is fundamental to good change communications: visual identity (61%), long-term vision (48%), and narrative (48%).

It’s a lack of insights that tends to lead to failure for many—into what their audiences truly care about, and how people receive and understand the messages. Plus, a tendency to focus on reach over behaviour change when it comes to measurement here and a failure to bring transformation to life for their people by engaging a network of advocates to promote change initiatives and share stories of good practice, leads to less-than-positive outcomes.

When it comes to communicating change, how would you rate your organisation’s ability to implement the following?



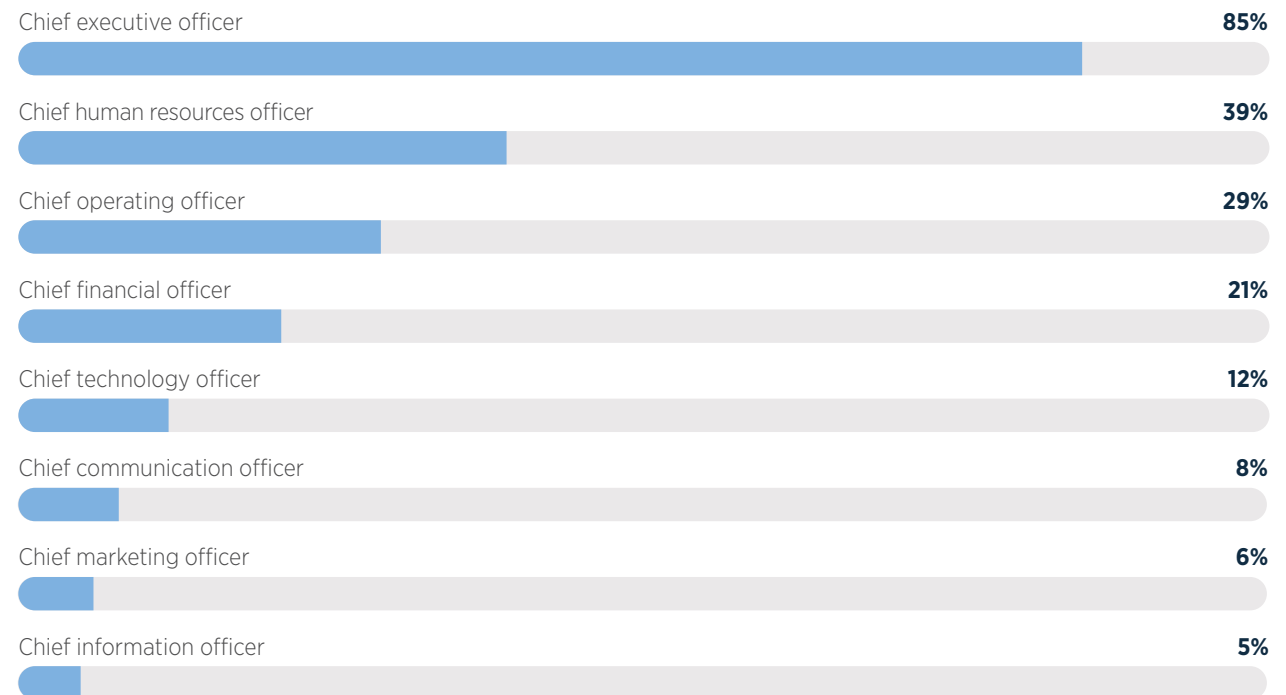


CEOs: the new comms champions?

It's clear at this point that a lot of organisations aren't in a position to rapidly and effectively implement change, or related communications. But whose fault is it really?

Most change is influenced to the greatest degree by the chief executive officer (85%), followed a long way behind by HR (39%) and operations (29%). So are the people who hold the key to success just too busy to implement the change that's needed—or do comms teams need to do more when it comes to collaborating with the C-suite and maximising reach?

Who influences change most in your organisation?



Change: the Gallagher view

Be bold, manage up!

Communicating change is important, no doubt about it.

However, if you want people to show up thinking, behaving and working differently in order to realise the value brought by the change, it's more than 'just' a communication challenge—it's a leadership challenge. Leaders need to own transformation, wholesale: from the engagement of their people, the clearing of the path and the delivery of the value proposition, to the adoption of new mindsets and ways of working.

Right now, people are looking for leadership more than ever before—especially when it comes to navigating the choppy seas of change. If you want to align your organisation to a new direction of travel that's been determined by an often unreachable C-suite, you need your leaders to do exactly what it says on the tin. You need them to lead. That's easier said than done though, isn't it? Even though the first job of leadership is to strike a tone that inspires people to put their best foot forward.

The leadership challenge is a big one—we know that. Helping leaders to turn strategy into a memorable narrative that the whole organisation can understand and get behind is a piece of work in itself. But until your leaders understand their role in engaging their people, encouraging the right behaviours, and creating the cultural climates that inspire those winning mindsets, the struggle will continue to be real. All change journeys start with one small step. Make yours a step towards starting that conversation with your C-suite.



Sally Earnshaw

Managing Director, Culture Change practice

1

Create clarity

Helping leaders to turn strategy or even just your direction of travel, into a memorable narrative that connects people to the changes ahead.

2

Engage the people

Helping leaders become the evangelisers and storytellers to connect people to the clarity they have so carefully crafted.

3

Create the climate

Helping leaders create a climate where people are trusted, permission is extended, blockers are removed and waste is eliminated so that change thrives.

4

Encourage behaviours

Helping leaders with the small but brilliant bits of human science that you just need to know in order to get the best out of people.

5

Inspire resilience

Helping leaders become teachers and inspirers in building resilient mindsets and strategies to help people cope with the bonkers world we live in.

Trend 4

Insight: turning feedback into actions

How do you determine what success looks like when it comes to developing a clear understanding of the strategic objectives in your organisation?

You probably use what you know about your business then assess the levels of understanding in your people, right? What they know, how they feel, who influences them, how they respond to information...

If this doesn't resonate, you're really missing a trick. The best tool at your disposal when it comes to determining the best course of any action is the information you already have at your fingertips—your insight.

And no matter what you're communicating—whether it's the introduction of new technology, new ways of working, or a new internal structure—without insight, you're pretty much starting with a blank piece of paper every time.

We know that organisations have more data than they can handle these days. The rise of digital has enabled us to track what people receive, read or watch, click, like or engage with—but are we turning these touchpoints into actionable insights? And, beyond metrics, how well are we really doing at capturing what people think, feel and do?

A responsive approach is key to nailing communication success. It's all about measuring and redefining strategies in real time without losing sight of the end goal—and using insights is the only way to identify the best strategy, forge your narrative, strike the right tone, and identify your influencers in the here and now.

Without insight,
you're pretty much
starting with a blank
piece of paper.

Measure what?

Reach (measuring if people receive your message) is widely measured (50% of organisations systematically track channel reach); as is employee understanding of key topics, with 75% of organisations tracking this on a regular or semi-regular basis.

However, overall satisfaction with internal communication, behaviour change and business outcomes are measured far less frequently, with fewer than 1 in 4 'systematically' tracking these and around 2 in 5 (40% and 43% respectively) 'rarely' or 'never' measuring these—despite the high level of importance that senior leaders place on these outcomes. **Just 1 in 20 respondents consistently benchmark their IC practices with peer organisations**—compared to around 1 in 5 that don't currently benchmark themselves and have no plans to do so in the future. A considerable 53% say that, while they don't currently do any benchmarking, they would like to. We suggest starting with some of the data in this report to get an idea of where you sit.

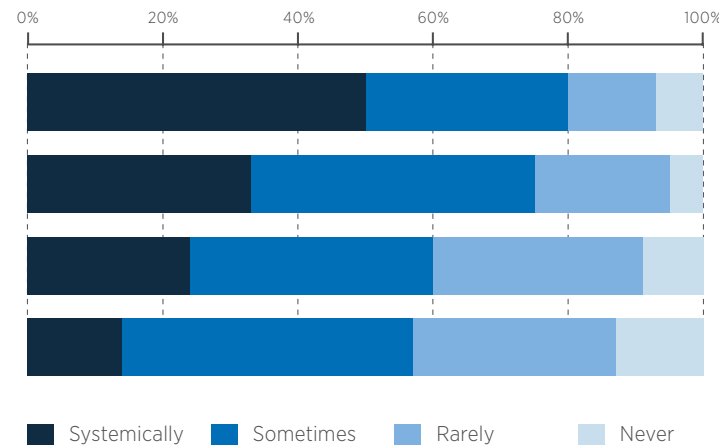
How often do you measure the following?

Reach (email statistics, event/web call/webinar attendance, intranet and online analytics, etc.)

Understanding (surveys, focus groups, etc.)

Employees' overall satisfaction with IC (IC audits, engagement surveys, interviews etc.)

Behaviour change and business outcomes (feedback from communication champions, line managers, listening sessions, business metrics such as adoption rates, employee turnover etc.)

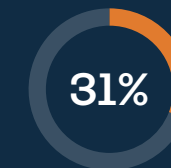


Keeping one eye on the competition

Do you benchmark your internal communications against the industry?



5%
Yes—consistently and in many areas



31%
Yes—but only in a few areas / inconsistently



53%
No—but we'd like to

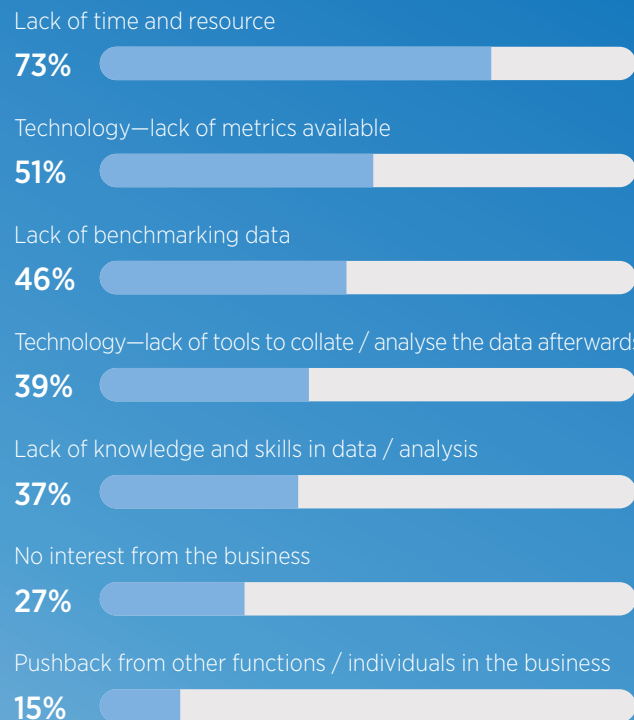


11%
No—and we have no interest in doing so

Barriers to measurement

Lack of analytics / measurement channels came up among the top 5 barriers to internal communication success in a previous question, with 27% of respondents saying that this is a challenge for them. A wide range of barriers to measurement have been identified—but **the primary barrier was a lack of time and resource (73%)**. Lack of metrics came in as the second biggest barrier (51%).

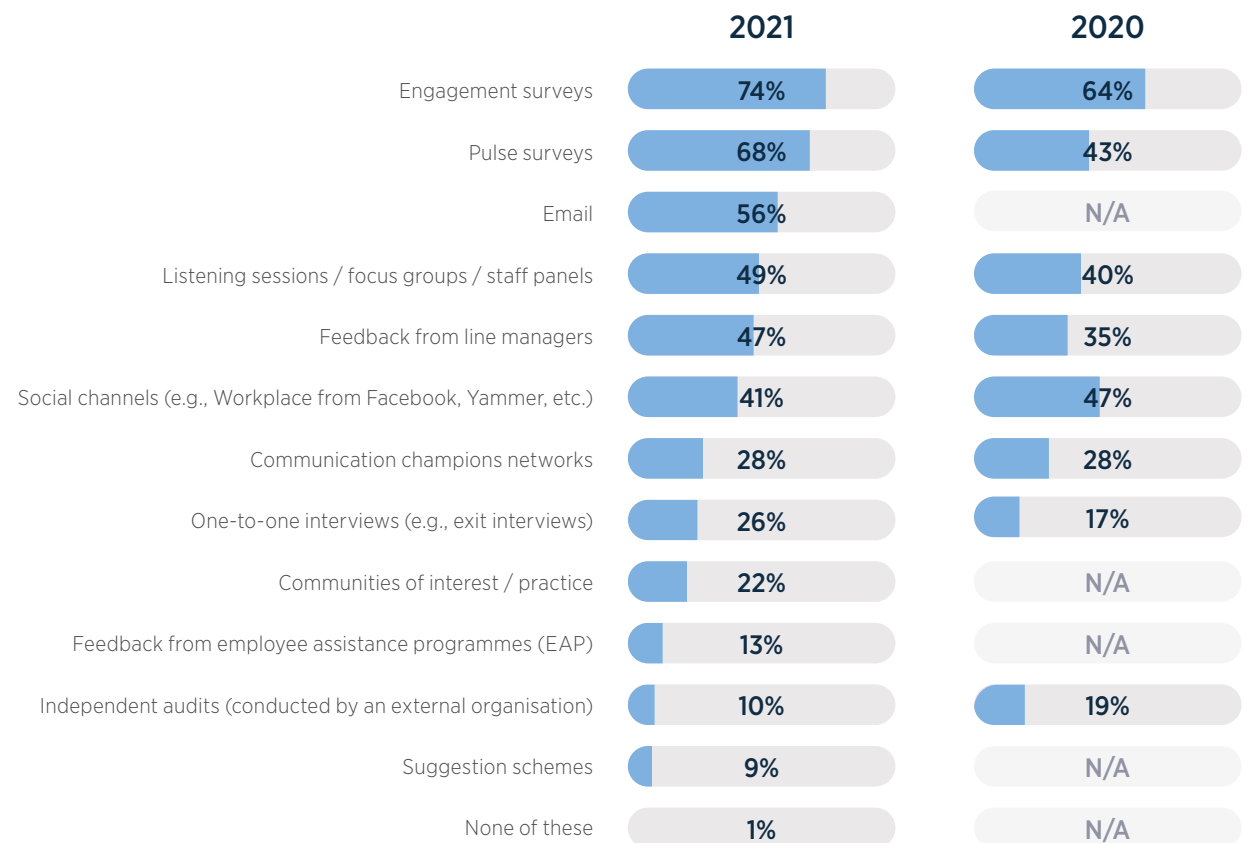
What are the main challenges you face in measuring your impact?



Capturing employee voice

When it comes to capturing and amplifying employee feedback, 85% of respondents say that IC has a key role to play ([see Focus 6—Influence and collaboration](#)). So how are organisations actually doing this? For gathering feedback, engagement surveys and pulse surveys top the list, with 74% and 68% of organisations using these channels respectively; then there's email—the only other feedback channel on offer in more than half of organisations, demonstrating that there are still only a few routes through which employees can have their say. Interestingly, the use of listening channels has increased—with almost no one saying they have nothing in place (1%). And even if the sources of qualitative feedback (line manager feedback, listening sessions, one-to-one interviews) still remains limited, it's a positive result when it comes to increasing our ability to gather the insight we so clearly need.

Which of the following listening channels have you used in the past 12 months to collect employees' views and feedback?

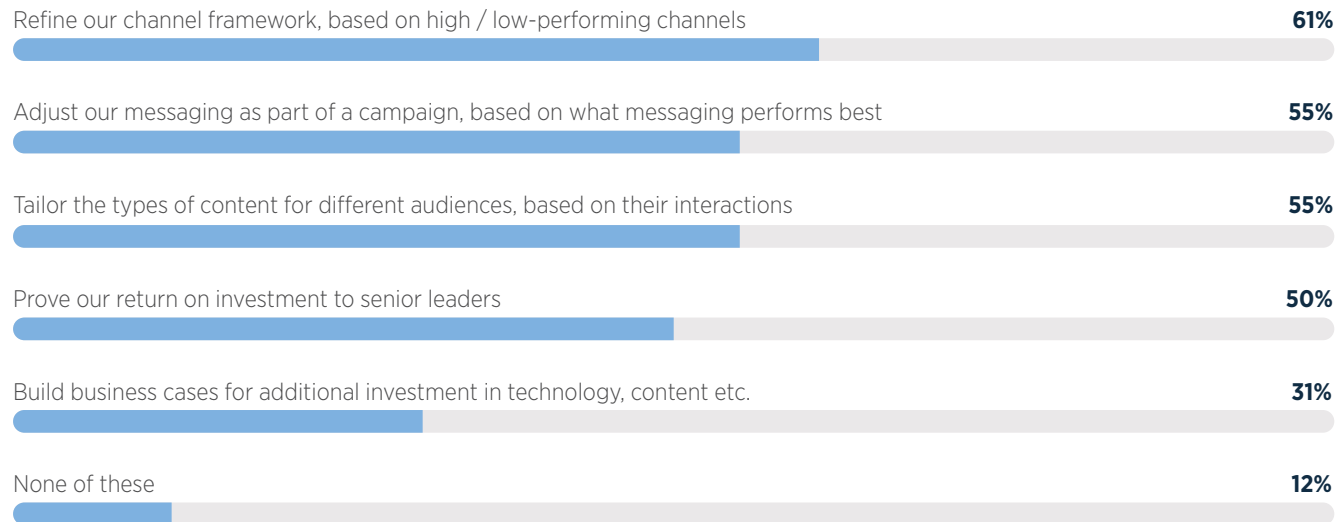


From insights to action

Nearly two thirds of respondents use insights to refine their channel framework—unsurprising when you consider that channel reach is the primary area of measurement in most organisations.

Tailoring audience-specific campaign messaging and content are also popular when it comes to data use, which is encouraging when you consider that only **17% of organisations have formalised audience personas** in place ([see Focus 2—Planning](#)). There are some regional differences, however, with the UK putting a substantial focus on general adjustment of communications to boost impact, while North America places greater importance on demonstrating ROI to senior leaders.

What do you use the data for?



Top 3 uses of data by region



United Kingdom

1. Refine our channel framework
2. Tailor the types of content
3. Adjust our messaging as part of a campaign



Europe

1. Refine our channel framework
2. Adjust our messaging as part of a campaign
3. Prove our return on investment to senior leaders



North America

1. Refine our channel framework
2. Prove our return on investment to senior leaders
3. Tailor the types of content



Asia Pacific

1. Refine our channel framework
2. Adjust our messaging as part of a campaign
3. Prove our return on investment to senior leaders

Insight: the Gallagher view

Overthinking data is human nature. Step back and see the bigger picture.

Organisations are swimming in people data—it's everywhere. And the more it surrounds us, the more we, as communicators, struggle to identify its real meaning and value.

Understanding the wider view of human metrics across the entire employee experience creates a rich, dynamic view of behaviour—human behaviour. But while access to data within organisations is slowly improving, the current approach to measurement (with a clear focus on vanity metrics) is actually preventing the creation of actionable insight.

Improving data-led decision-making through the effective identification, collection, analysis and use of data is not as difficult as it sounds—and making small improvements today will lay the foundations of those crucial evidence-based commercial conversations with leadership, [so start now...](#)



Andy Macleod

People Services & Communication
Excellence Director



Vincent Foreman

People Experience Consultant

1

Vanity metrics don't help

Employees experience many on and offline touchpoints every day. The current gaze is too focused on isolated views, opens, clicks, and data points that present a narrow view of a wider employee journey. By creating high level maps of these end-to-end journeys (no matter how simple), valuable metrics will become apparent, highlighting blockers and identifying vital opportunities to make valuable improvements—the email click is only a small part.

2

Be outcome-focused

What is it that you really want from employees as a result of your communications? And don't just say 'engagement'. Reframing key organisational objectives and strategic direction from leadership into human behaviour drives better metric choice. So, before you do anything else, think about how to simplify those desired outcomes and view them through the lens of employees.

3

Think people first

A human approach to measurement often requires cross-functional views of data. After mapping your experience or detailing a desired outcome, what behaviours and interactions will help build a story? Make friends with HR, internal data champions and others to enrich your access to high-value, people data.

4

Improve your data stories

Show, don't tell—work hard to refine and reduce data points and craft a narrative that matters. Relatable stories that impact business performance will resonate with the C-suite, so don't just turn up with a spreadsheet and expect people to work it out for themselves.

5

Don't overthink it

Remember: more often than not, less is more—so reduce the time and complexity of your measurement process. Create, measure, iterate, gain incremental insight, learn... then move forward!



Key learnings

Focus 1



Resources and reporting lines

The proportion of IC functions reporting into a Corporate Communications, PR and Corporate Affairs team has decreased again for the second year in a row, after peaking at 52% in 2019.

Meanwhile, the proportion reporting into HR has been on the rise—the figure stood at 14% in 2014 and hovered around the 18-19% mark between 2016 and 2018. This is very much in line with general trends we’ve been noticing for a while around internal communicators becoming more heavily involved in shaping the employee experience as remits broaden and transferable skillsets are recognised.

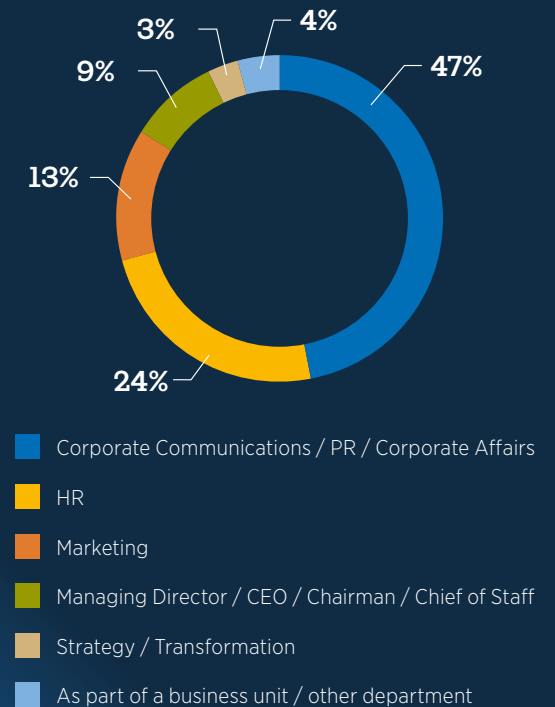
At the same time, the average number of FTE internal communication people in organisations has broadly remained the same as last year, when we saw significant increases compared to 2019. We know from our regular conversations with internal communicators that their workload has increased in 2020. Many IC professionals are now effectively taking on the work of more than just one person, due to the urgency of the COVID-19 situation and the huge amount of change which has had to be communicated to employees and embedded in organisations.

In fact, when we polled people at the start of the pandemic, 1 in 3 communicators said they were struggling with a lack of human resource, 2 in 5 felt under pressure to deliver, and 1 in 5 felt considerably overworked.*

“The proportion of internal communication functions reporting into HR has increased from 14% in 2014 to 24% last year, as a result of the shift toward EX.

* Pulse survey conducted in April 2020 based on 135 responses.

What department does internal communication report into in your organisation?

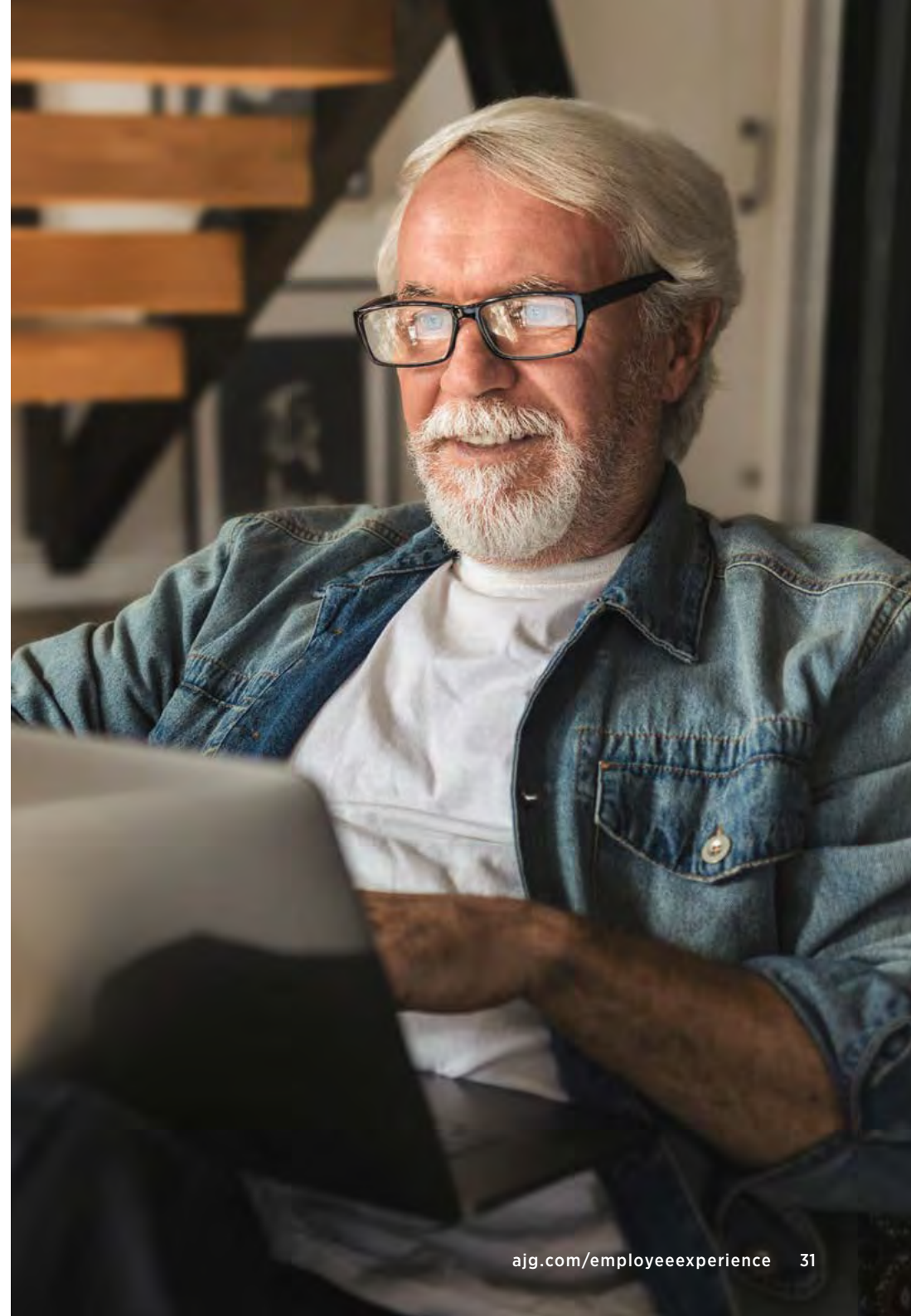


How many FTE dedicated internal communicators are there in your organisation?

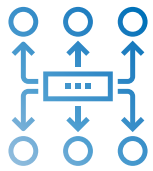
Number of employees	2021	2020
1-499	2	2
500-2,499	3	3
2,500-9,999	7	6
10,000-49,999	10	10
50,000+	15	16

**What is the budget currently allocated to internal communication campaigns, excluding salaries and platform subscriptions?
(Average IC spend based on the size of the organisation)**

Number of employees	Low spend 2021	Low spend 2020	2021	2020
1-499	£27,200	£17,000	£56,600	£49,000
500-2,499	£41,300	£56,000	£82,400	£121,00
2,500-9,999	£82,600	£109,000	£140,300	£209,000
10,000-49,999	£148,200	£199,000	£227,600	£313,000
50,000+	£340,300	£470,000	£402,300	£562,000



Focus 2



Planning

There's been a definite increase in campaign-based planning over the past year, with 74% of respondents saying they have documented plans in place for individual campaigns. Just 40% have an overarching strategy in place to cover a period of more than one year (although this is up from 33% in 2020) and 42% have documented an employer brand and strategic narrative.

In particular, only 17% of internal communication functions have developed audience profiles or personas, which would enable them to better tailor their messages to their intended recipients. Given the lack of existing documentation in place in this respect, it is perhaps unsurprising that only a third of survey respondents said previously that their organisation has a clear understanding of the impact of change on different audiences ([see Trend 3—Change: the 'new' new normal?](#)).

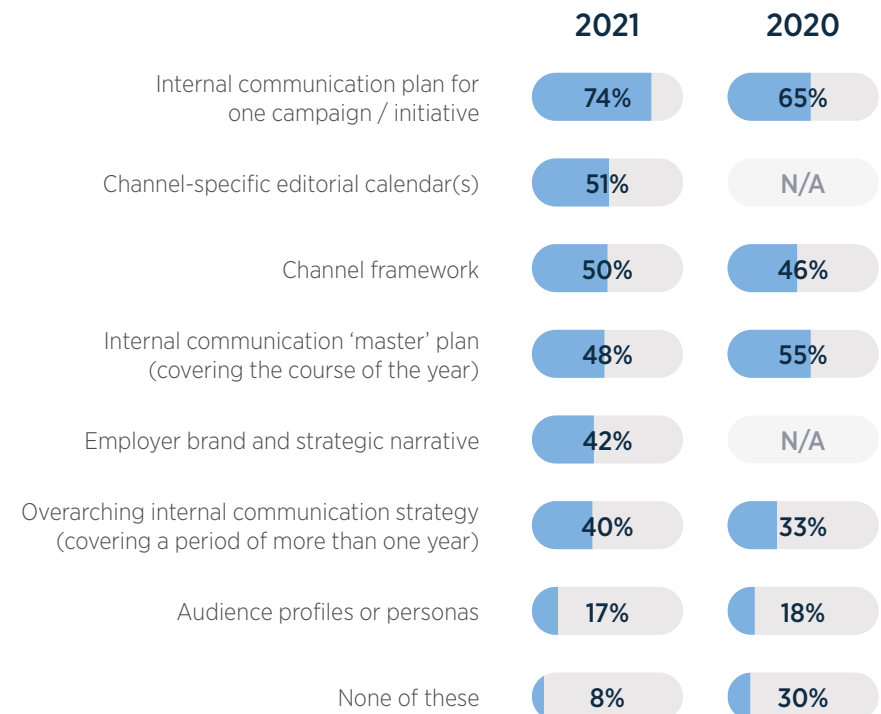
We can also see that the increased emphasis on communication channels and information systems has led to a small but significant rise in the proportion of organisations with a channel framework: we've finally hit the 50% mark, with 1 in 2 organisations having this document in place.

So, while we may not have complete clarity on the long-term strategy for internal communication in a lot of organisations, we do at least know the short-term aims of the sector and the purpose IC channels will serve in delivering on those aims.

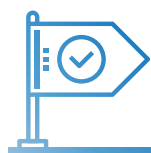


Only 17% of internal communication functions have developed audience profiles or personas.

In a rapidly changing environment, which of the following documents do you currently have in place?



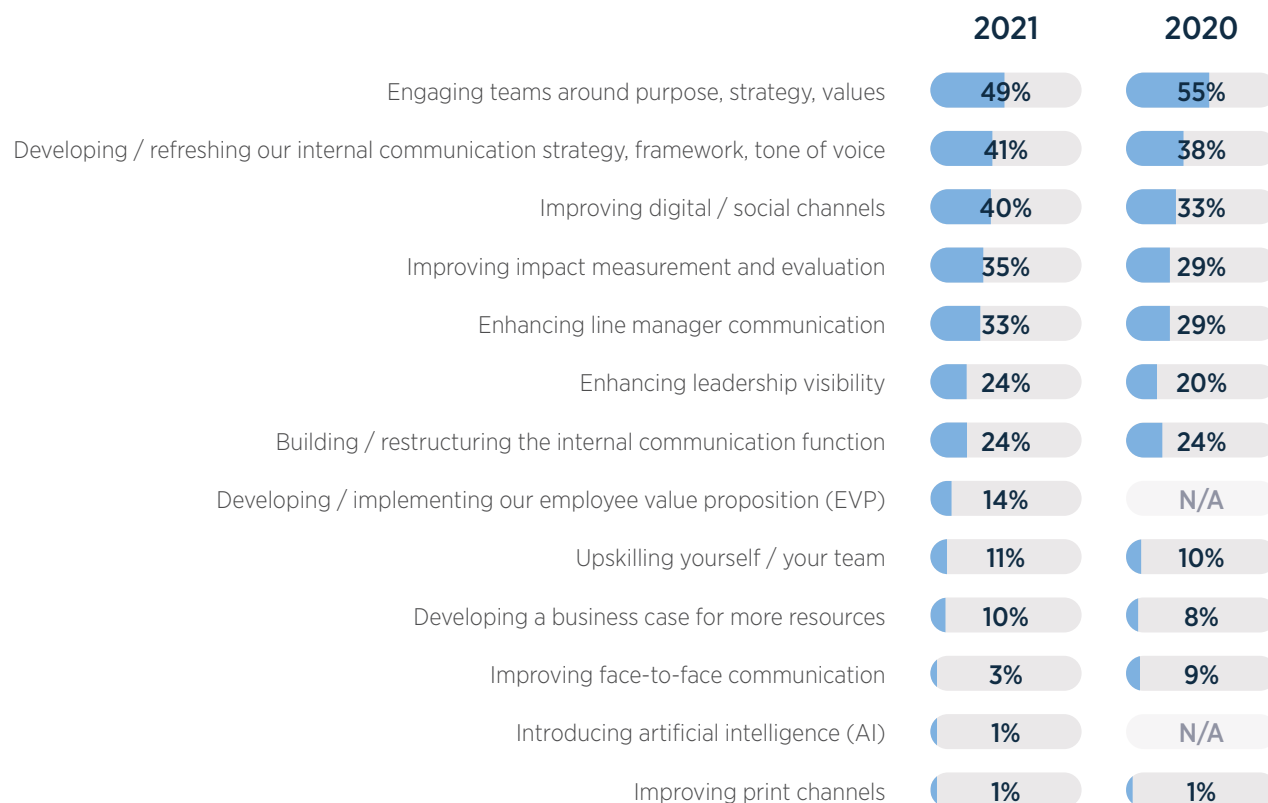
Focus 3



Priorities and challenges

Surprisingly, COVID-19 didn't really change the 2021 planning focus of HR and communication professionals, and the general order of priorities has remained remarkably stable. Engaging employees around the purpose, strategy and values is still the number-one priority, but clear space for other key areas of focus has been created too. There has, however, been a noticeable shift in perceived communication challenges, with poor internal technology moving out of the top three (down to 24% from 39%) and just 12% claiming that remote workers are a barrier to success.

Where will you be focusing your attention, and investing your resources, over the next 12 months?



Top 3 priorities by region



United Kingdom

1. Engaging teams around purpose, strategy, values
2. Developing / refreshing our internal communication strategy, framework, tone of voice
3. Improving digital / social channels



Europe

1. Developing / refreshing our internal communication strategy, framework, tone of voice
2. Engaging teams around purpose, strategy, values
3. Improving digital / social channels



North America

1. Improving impact measurement and evaluation
2. Engaging teams around purpose, strategy, values
3. Improving digital / social channels



Asia Pacific

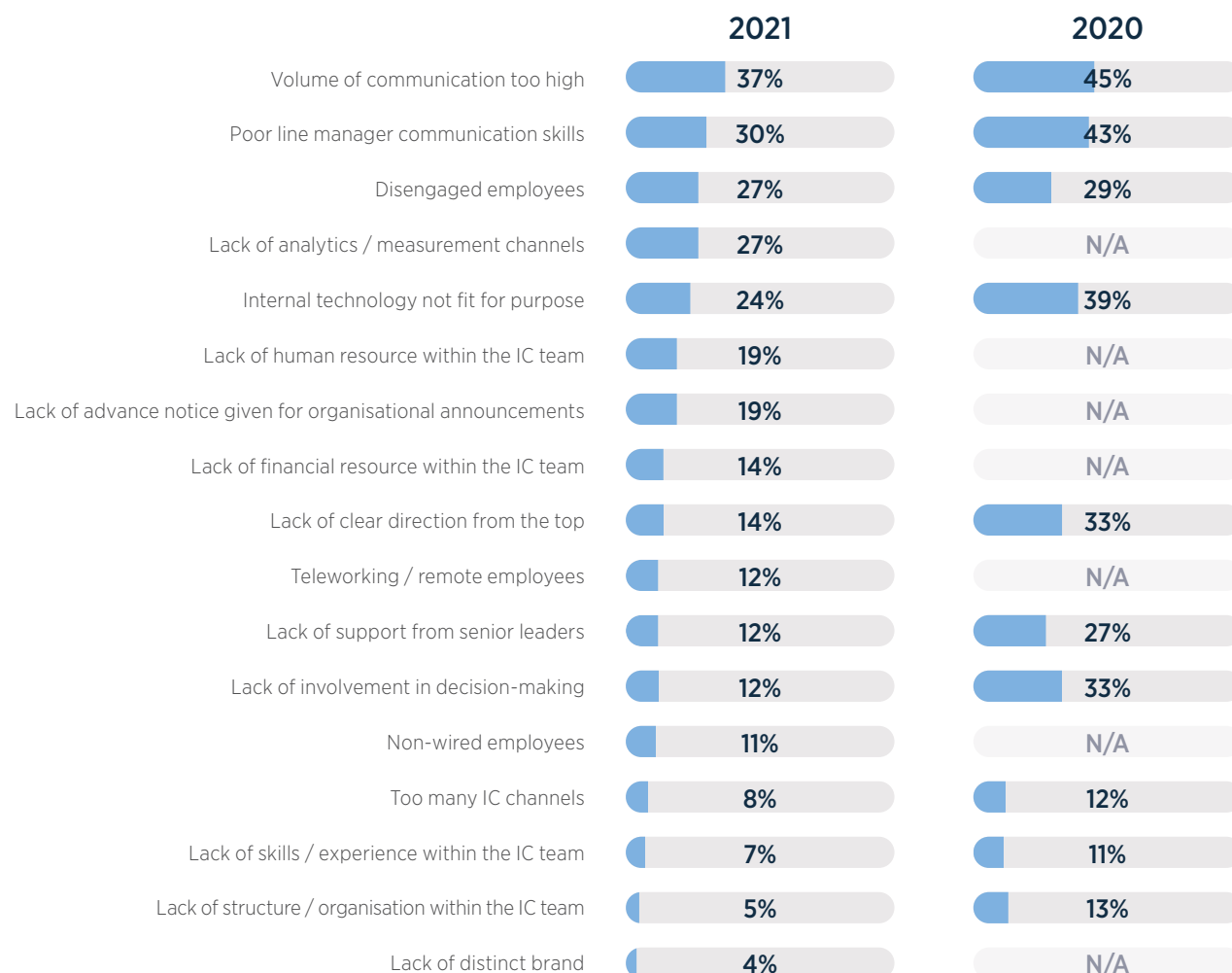
1. Developing / refreshing our IC strategy, framework, tone of voice
2. Engaging teams around purpose, strategy, values
3. Improving digital / social channels

This year, we've broadened the list of challenges to reflect what we've heard in conversations with clients.

While the high volume of comms, poor line manager communication and below-par internal technology remain in the top five, disengaged employees join them for the first time—along with lack of analytics and measurement channels.

Remote working and non-wired employees score relatively low (where hard to reach employees used to be at around 40% in previous years).

What are the main barriers to internal communications being a success?



Top 3 barriers by region



United Kingdom

1. Volume of communication too high
2. Poor line manager communication skills
3. Lack of analytics / measurement channels



Europe

1. Poor line manager communication skills
2. Internal technology not fit for purpose
3. Volume of communication too high



North America

1. Volume of communication too high
2. Lack of advance notice given for organisational announcements
3. Lack of analytics / measurement channels



Asia Pacific

1. Disengaged employees
2. Internal technology not fit for purpose
3. Volume of communication too high

Focus 4

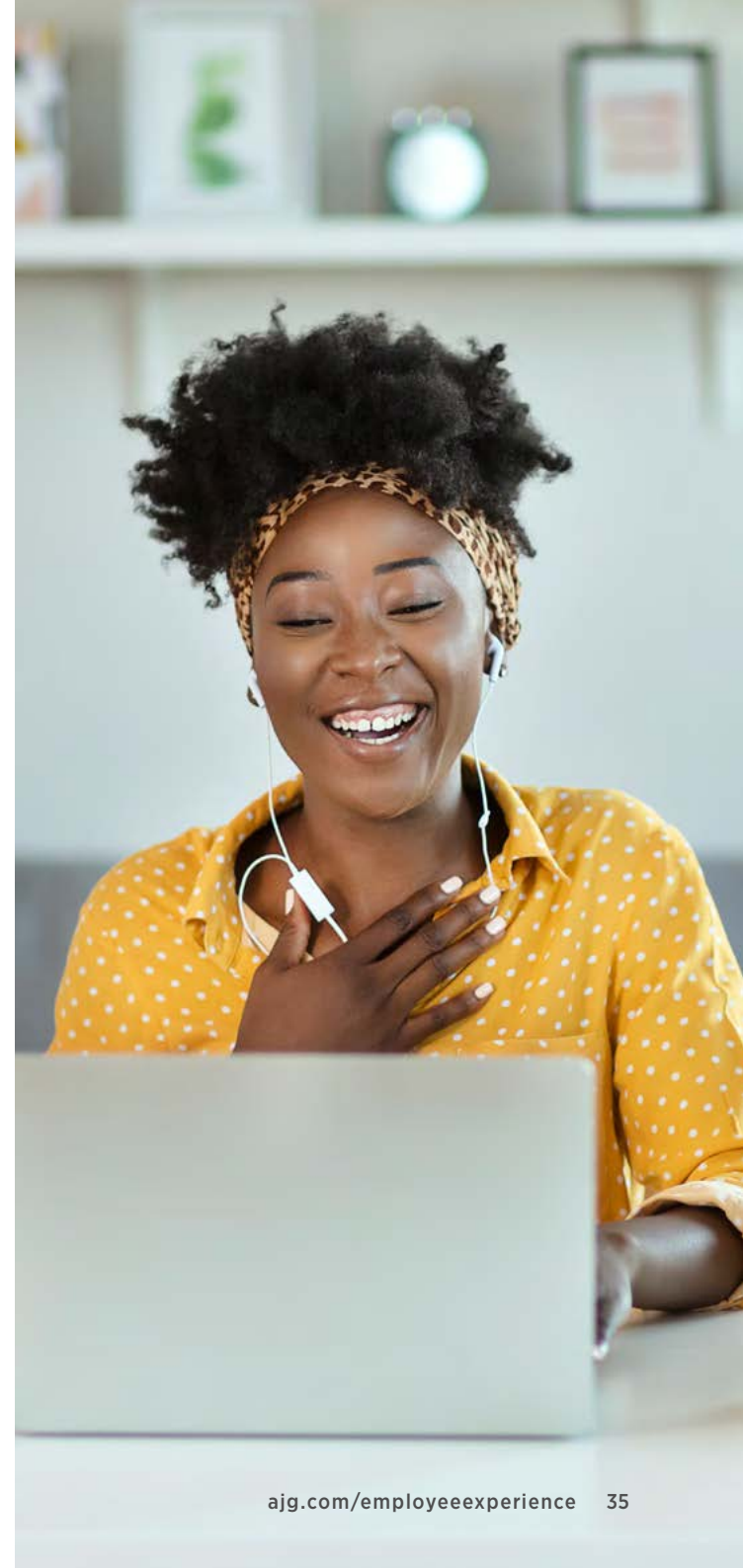
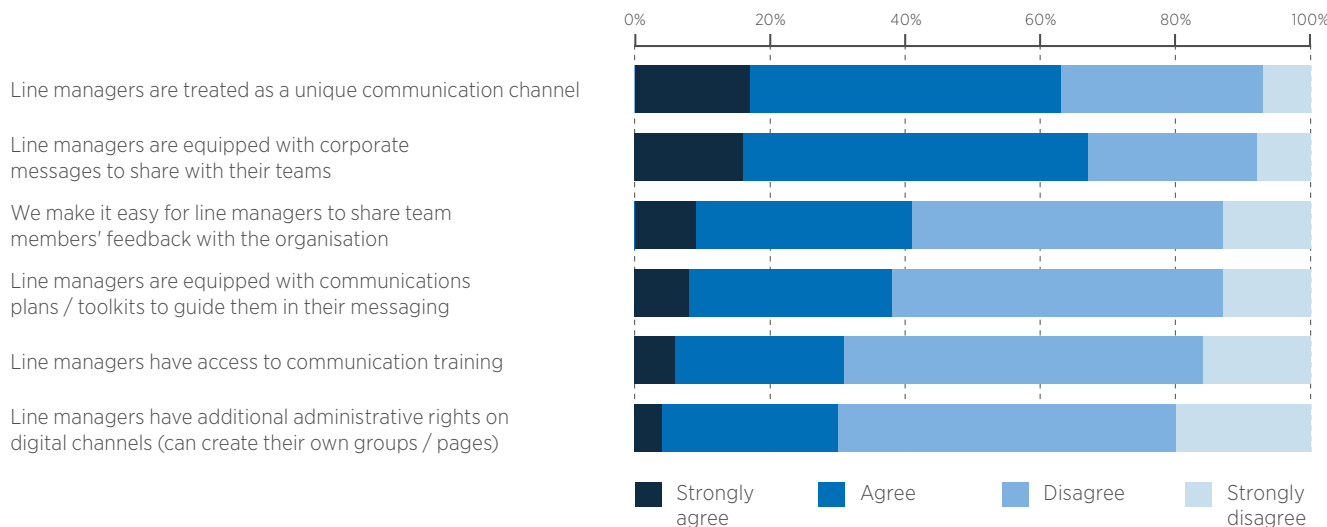


Line managers

Line managers have had a crucial role to play in keeping people informed, motivated and engaged throughout 2020's health and economic crisis. In fact, "more empowerment of line managers to communicate and engage with their teams" had been observed by 38% of respondents (see [The impact of COVID-19](#))—but how does this translate in practice?

Start with the positive: two thirds of organisations consider line managers as a proper channel, and a similar proportion equips them with corporate messages to share with their teams. We've seen an increase in the use of leader/line manager-specific conferences and web calls throughout 2020, suggesting that many organisations have tried to keep this group close to the C-suite. Unfortunately, however, this is a largely one-way relationship—only 47% said they use line managers as a source of employee feedback, and just over 40% agreed that it was easy for line managers to provide feedback. An even smaller proportion of respondents said their organisations had invested in turning line managers into proper communicators: around 30% said they provide communication training to this group.

Thinking of line managers specifically, to what extent do you agree with the following statements?



Focus 5



Channels

Along with numerous other things, the way we talk about channels has changed this year—for example, town halls can be both face-to-face and virtual, just as employee magazines can be both printed and digital.

Therefore, it makes more sense to think of channels in terms of what they empower employers to do: share corporate messages (broadcast channels), enable people to find the information they need (self-serve) and drive collaborative working (collaboration channels).

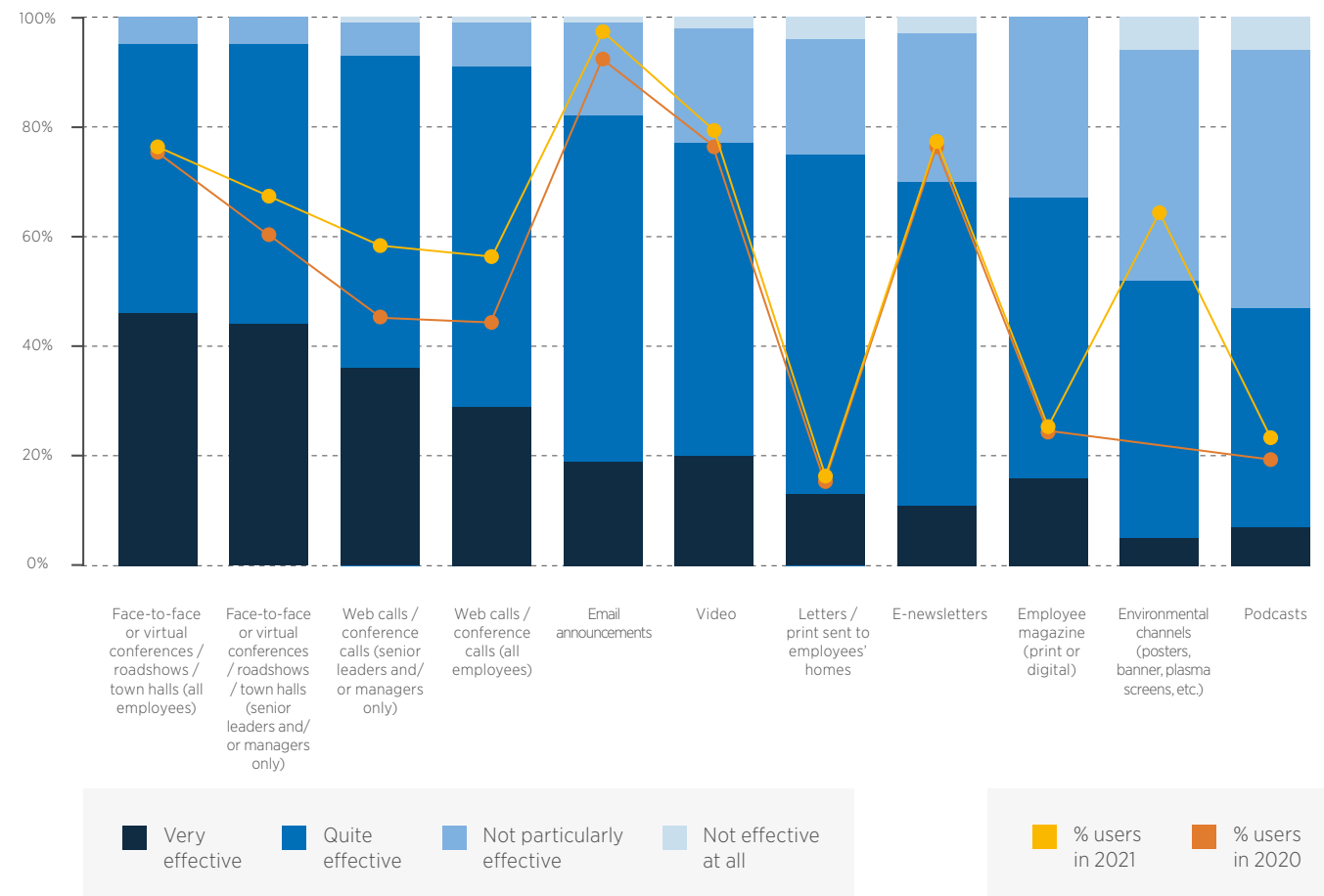
Broadcast channels

Overall, with the exception of a few areas, broadcast channel usage has seen limited large-scale change. In 2021, email announcements are still the main channels used by organisations to share corporate messages. Channels designed to engage leader and managers (roadshows, web-calls) have seen a significant boost in popularity, suggesting that organisations have placed a lot more importance on the role of this audience in redefining purpose and generally adapting to the changing market. Web-based calls and conference calls for all employees are also a growth area, reflecting the increase in leadership visibility observed as a result of COVID-19.

There has been a significant change in the perceived effectiveness of certain broadcast channels too. Whilst roadshows and conference calls were said to be effective by around 85% and 75% respectively last year, over 90% now approve of them as an effective channel—perhaps due to increased appetite for strategic information in a year of intense change.

Long-form written content such as magazines and letters has seen its effectiveness decrease a little on 2020, most likely due to a lack of time for people to read and engage with the content—67% say employee magazines are effective, compared with 85% last year; and only 13% say letters sent to home are ‘very’ effective, down from 18% last year.

How effective would you say the following broadcast channels are within your organisation?



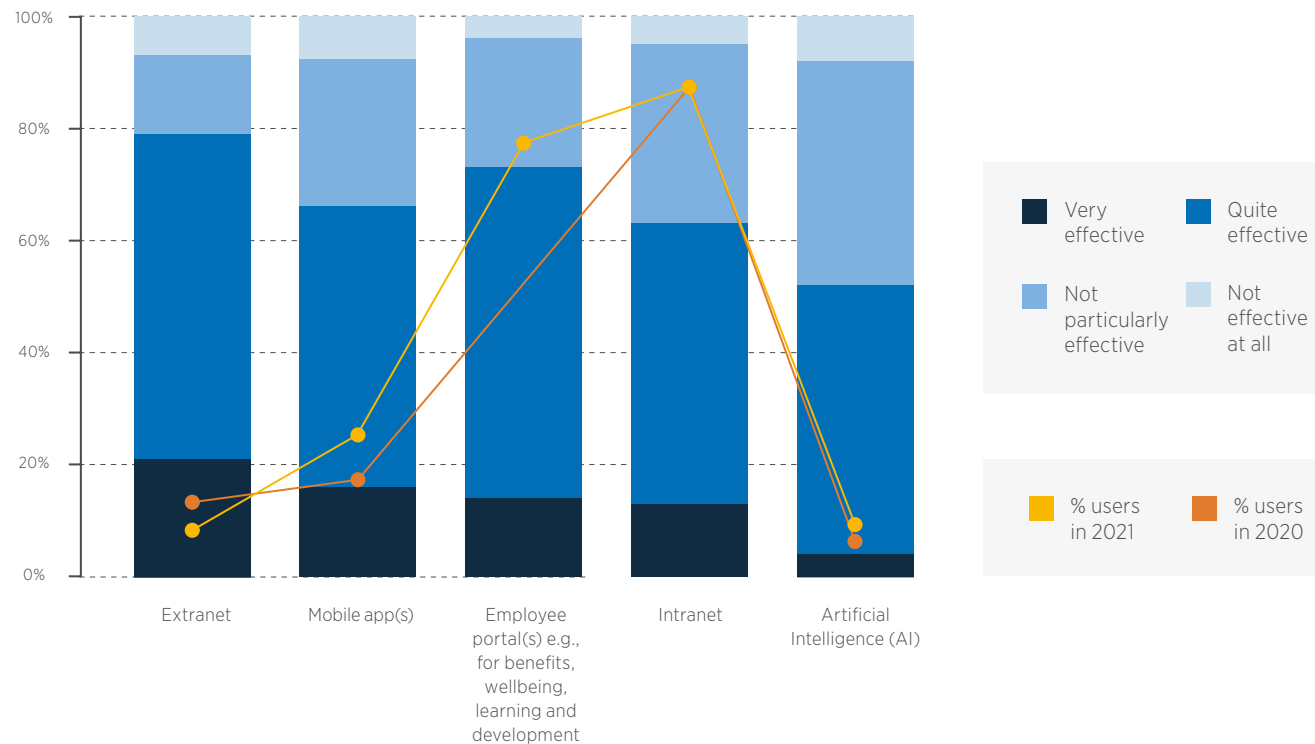
Self-service channels

Unsurprisingly, as the demand for tailored employee information continues to increase, there has been more change when it comes to self-service channels:

- The popularity of mobile apps in particular has grown, with usage rising by a third to 24%
- AI use has also nearly doubled, from 5% to 8%
- Extranets are used less, despite the lack of network access for many employees working remotely

Pleasingly, three quarters have an employee portal available, particularly important as EX begins to feature more heavily on organisational agendas and to support employee wellbeing in difficult times.

How effective would you say the following self-service channels are currently within your organisation?



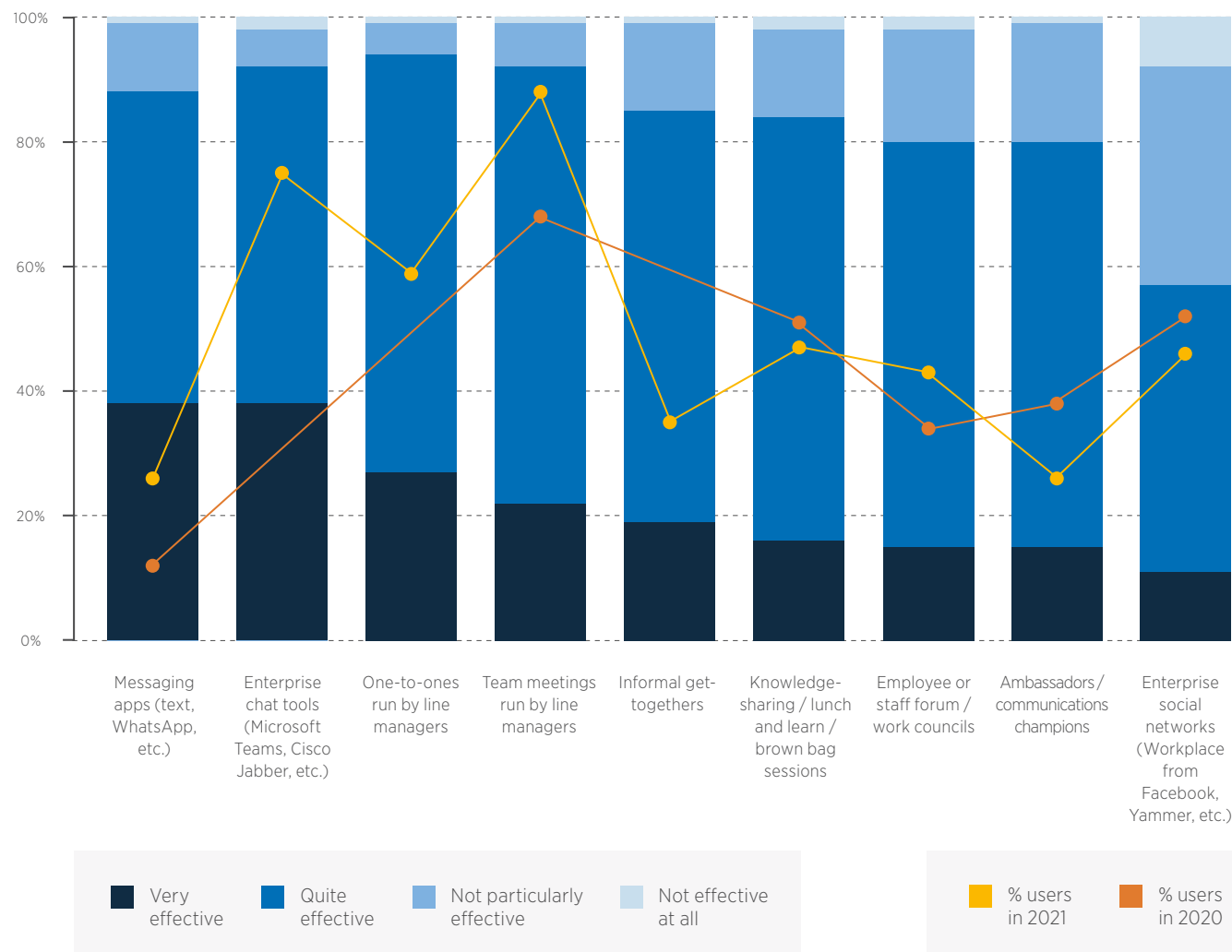
Collaboration channels

For obvious reasons, collaboration channels have seen something of a boom in 2020 and look likely to continue being used widely in 2021. An impressive 4 out of 5 respondents said that their organisation uses Microsoft Teams (A surge from 47% last year), and two thirds say they use Yammer (Up from 39% last year). Workplace from Facebook is now in the top 5 of social channels, after having seen its adoption double. Mobile messaging apps such as WhatsApp have seen usage more than double from 12% to 26% over 12 months—a potential risk for organisations considering the difficulty to control these.

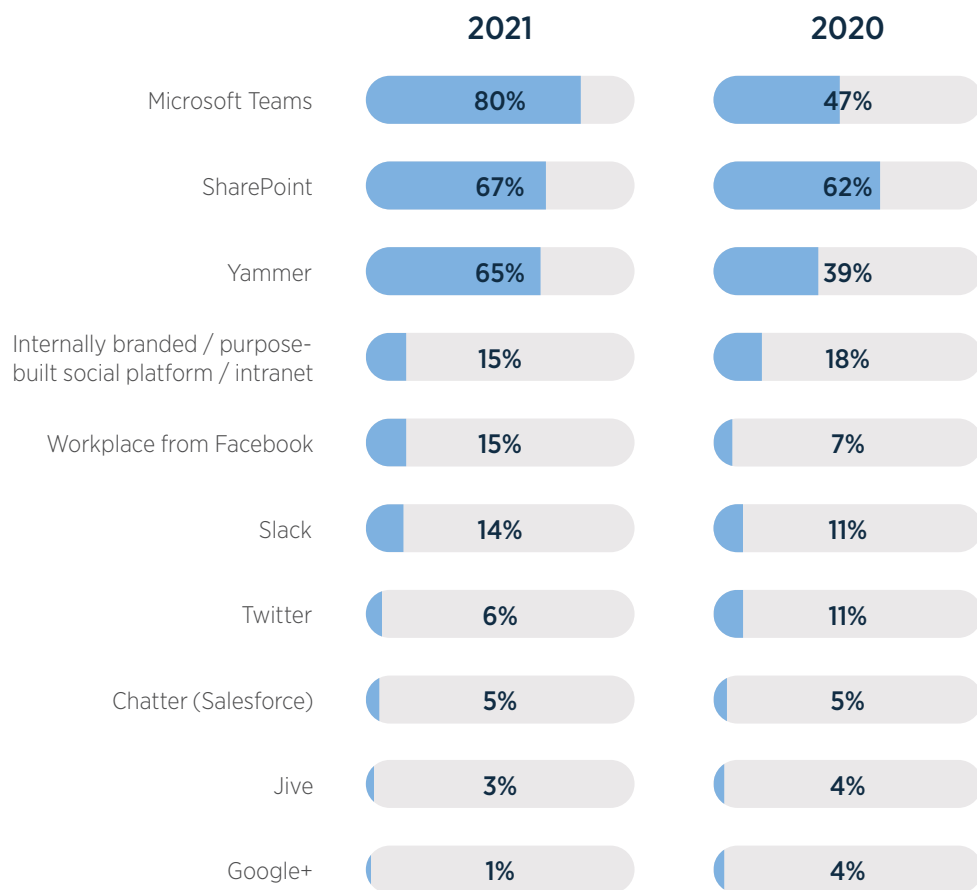
The benefit of this is it reduces reliance on email for inter/intra-team communications when teams are unable to connect face-to-face or virtually. With that said, virtual team meetings run by managers are in the top spot of most widely used channels, with 88% of organisations making use of these compared with 68% last year. However, they are not said to be the most effective channel overall (the aforementioned instant messaging platforms win out over team meetings), perhaps down to a lack of support for line managers in engaging their teams. That said, less than 1 in 10 believe team meetings are a waste of time, so it's not all bad.

“ Mobile messaging apps such as WhatsApp have seen usage more than double from 12% to 26% over 12 months—a potential risk for organisations considering the difficulty to control these.

How effective would you say the following collaboration channels are currently within your organisation?



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



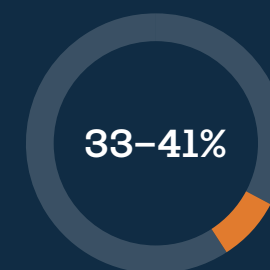
Workplace from Facebook is now in the top 5 of social channels, after having seen its adoption double.

So how does your organisation stack up?

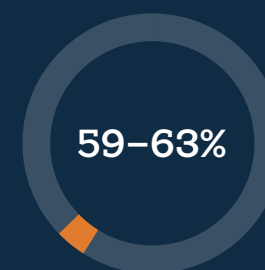
This year, we've calculated some benchmarks which will enable you to track how effective your function is in comparison to other organisations.



Open-rate for e-newsletters



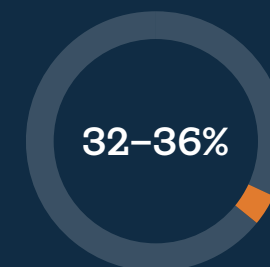
Video viewership



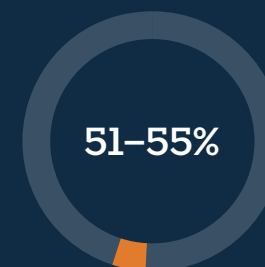
Conference call attendance



Regular intranet users



Regular mobile app users



Regular social channel users

Focus 6



Influence and collaboration

We know that around two thirds of respondents said that their influence had increased as a result of the COVID-19 pandemic—a result that is consistent with the overall influence of the internal communication function.

Over 1 in 3 internal communicators 'strongly agree' that the function plays a critical role in capturing and amplifying the employee voice, with a further 1 in 2 'agreeing'; just 15% disagree this is the case, down from 28% in 2020. It's clear that the importance of seeking feedback and ideas from employees has gone from strength to strength as organisations advance through the pandemic, too.

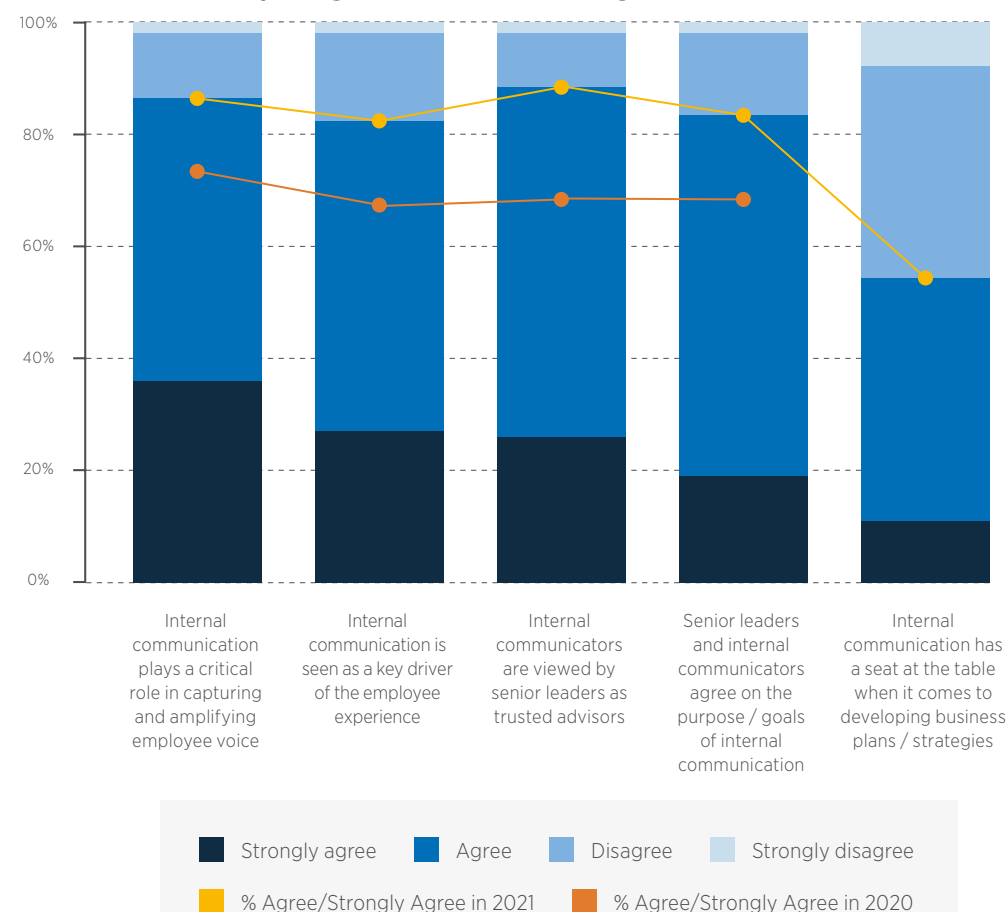
Clarity around the purpose of IC in general has risen, with a huge 87% agreeing that internal communicators are viewed by senior leaders as trusted advisers (up 20 points from 67%). That said, as was hinted at previously, many IC professionals still lack decision-making power: nearly 1 in 2 (47%) deny that the IC function has a seat at the table when developing business plans and strategies. What's more, 62% say their influence on HR has increased, again pointing back to the link between IC and EX. Influence on IT and Marketing / PR / External Communications has remained the same for most internal communication functions, but this is likely down to the fact that links between IC and these functions have always been strong, as a result of reporting lines, content sharing and, of course, dual responsibility for digital channels.

Measurement is still very much a clear area of improvement, and the proportion of IC specialists recording increased employee and senior leader confidence in their role is encouraging, to say the least—but can this trend last without a clear evidence of our impact?

Over the past 12 months, how has your collaboration with the following departments evolved?

	Increased	Stayed the same	Decreased
HR	62%	34%	4%
IT	49%	47%	4%
Marketing / PR / External Communications	42%	52%	6%

To what extent do you agree with the following statements?



Focus 7



Topics of communication

All in all, there's been a great deal of change over the course of 2020, and this is reflected in the themes that organisations are planning to communicate in 2021. It's interesting to see that, when asked if they would evolve communication themes this year, very few respondents said that they were planning to reduce the volume of communications—an interesting finding when we know that the volume of communications was named as the number-one barrier.

Taking a closer look at the kind of topics organisations are planning to communicate, it's interesting to see that external-facing topics (marketing and new products, industry trends, financial results) are clearly being deprioritised—while employee health and wellbeing (69% increase) and colleague stories and recognition (59%) are being placed at the forefront.

In 2021, do you expect to increase, maintain or decrease the volume of communications around the following topics in your organisation?

	Increase	Maintain	Decrease
Health and wellbeing	69%	30%	1%
Purpose and strategy	65%	33%	2%
Colleague updates, stories and recognition	59%	38%	3%
Corporate social responsibility, ethics and values	52%	45%	3%
Leadership and Management Team updates	44%	54%	2%
Reward and benefits	29%	66%	5%
Personal performance, training and career development	28%	67%	5%
Marketing and new products / services / solutions	22%	66%	12%
Financial results / performance	18%	80%	2%
HR updates and policies	18%	79%	3%
Industry trends	13%	75%	12%



Forward thinking



Looking ahead

If you haven't got the message yet, everything really is pointing in the direction of every employee being given the opportunity to have their say and to share their views with their colleagues.

In the face of the increasing volume of communications caused by the multiplication of channels, organisations seem conscious of the need to minimise the amount of content being pushed. And with 35% saying that increasingly tailored, hyper-personalised messages will become the norm in the next few years, the importance of digital has never been clearer when it comes to driving engagement.

Looking more broadly, beyond 2021, there is evidence that more than just messaging will be changing when it comes to communication methods. So what can we expect?

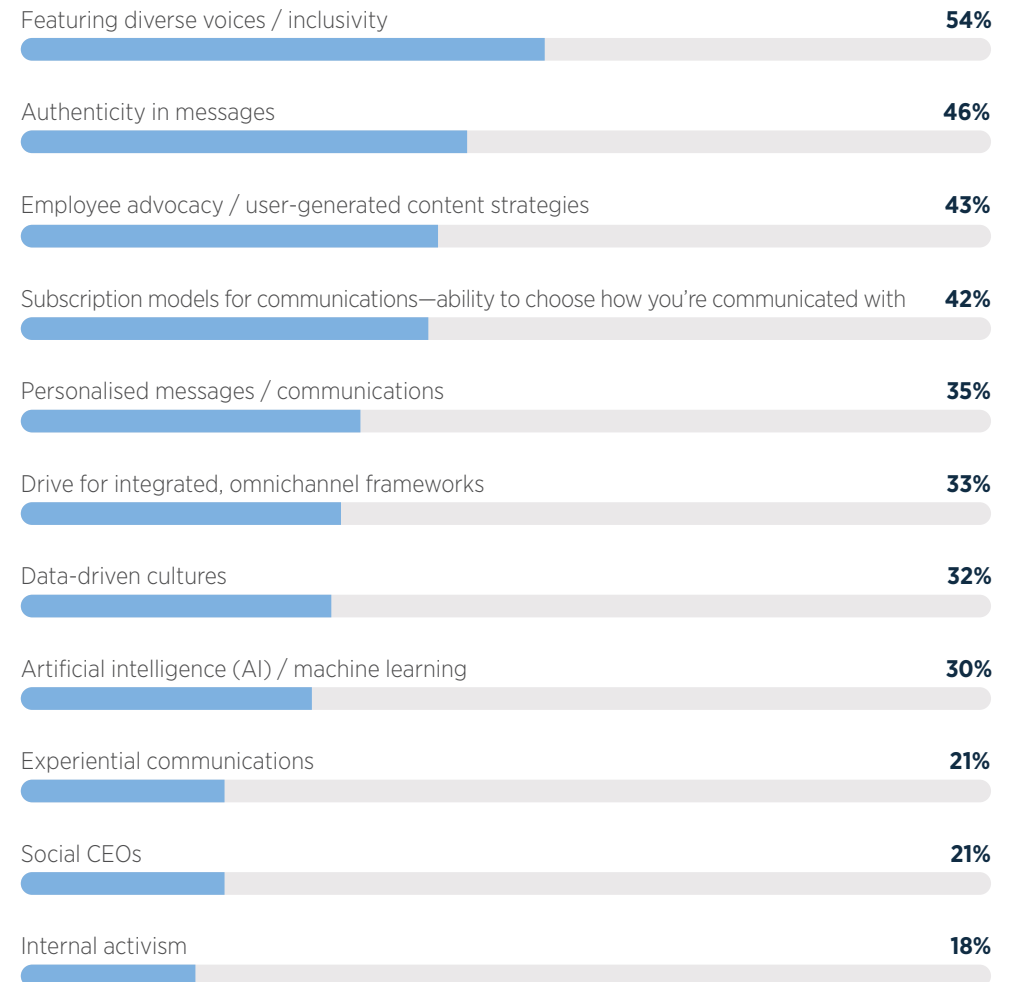
First of all, there is likely to be change in the sources of internal communication. In the first half of the decade, internal communication teams will be looking to feature more diverse voices in their communications — by which we mean diverse in terms of role (not just leaders!), diverse in terms of background, and diverse in terms of personal characteristics.

We've already seen a big push for featuring more female and ethnic minority voices in internal communications, on the back of wider societal movements such as #Me-too and #BlackLivesMatter, and recently conversations have been happening around neurodiverse workforces as well. It's no secret that giving a wider range of employees the opportunity to speak up and speak on behalf of the organisation will be increasingly expected in the years to come, as employees make louder and louder calls to see more people like and unlike them being represented on the organisational stage.

Employers' commitment to this will be seen not only as an internal communication stance, but more generally an employee experience stance—so it will have wide-reaching impacts on organisations' ability to attract and retain talent as well.

And with more than half of State of the Sector survey respondents declaring this one of the biggest trends to look out for, it is definitely not something you want to let pass you by before it's too late.

Thinking of the next 2-3 years, what do you see as the biggest emerging trends?





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Better. It's something many companies strive for.

Better outcomes, better performance... the list continues. But how do you get there?

You start by building a better workplace. One that attracts, engages and retains your best talent. What does that look like? It's a workplace where people feel they belong, one where there's a motivational career path versus a 9-5 cycle of punching a time card. And a culture of opportunity and micro-experiences that attracts new talent in because it inspires employees to deliver their personal and professional best.

Gallagher Better WorksSM—a comprehensive approach to benefits, reward, retirement, employee communication and workplace culture—aligns your human capital strategy with your overall business goals. It centres on the full spectrum of organisational wellbeing by strategically investing in your people's health, talent, financial security and career growth potential. And developing benefit and HR programmes at the right cost structures to support a multigenerational workforce.

From evaluating the demographics of your workforce through to surveying and analysing competitor trends, Gallagher can help you to gather new insights and apply industry best practices that promote sustainable productivity and growth, supported by a data-driven focus allows that facilitates continuous improvement.

That's what it means to create a better workplace culture. It's about never being content to rest each time you reach your best. Your better is never finished. To build a destination workplace culture where your people thrive and operate with a high-performance mindset, optimising your annual talent investment and mitigating organisational risk will enable your organisations to maximise its profitability. Best of all, you gain a competitive advantage as a workplace that simply works better.



Insurance | Risk Management | Consulting

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