

State of the Sector 2022/23

Internal Communication and Employee Experience

Findings from the 2022/23 survey — Global Edition

— 2023 —
WORKFORCE
TRENDS
REPORT
SERIES

This is YOUR survey

Thank you.

This year, more than 2,000 respondents from across the world shared with us how their organizations use internal communication to achieve their goals — for this, we are hugely grateful, excited and humbled. Grateful for the data you provided, which we do not take for granted. Humbled by the enormous responsibility of turning these results into tangible insights that we can share across our global community. And excited by the unrivaled opportunity to tell your stories — which shape our collective narrative.

Over the course of fifteen years, the State of the Sector report has been as much about painting a picture of where internal communication is today as it has been about anticipating the trends that lie ahead. And we're proud to continue building that legacy.

For those of us who produce the report, it's about enabling internal communicators to push the boundaries, to aspire for better and refuse to budge.

For those of you who consume it, our report provides a benchmark against which you can measure your practices, identify gaps, and understand where and how you can improve.



Ben Reynolds

Global Practice Managing Director
Communication Consulting

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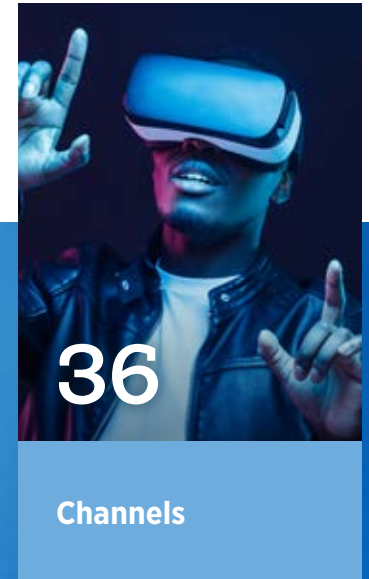
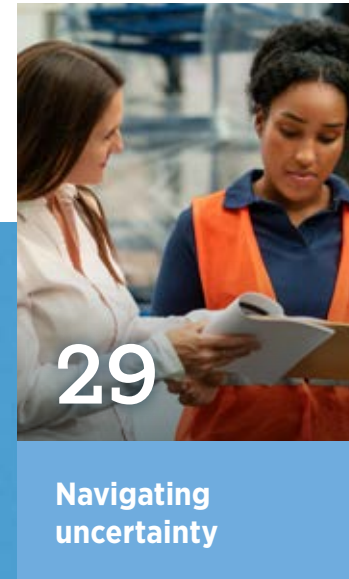
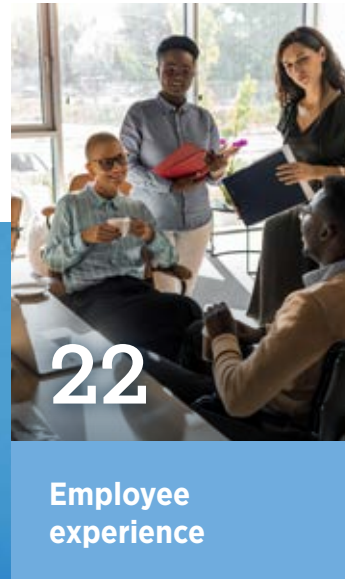
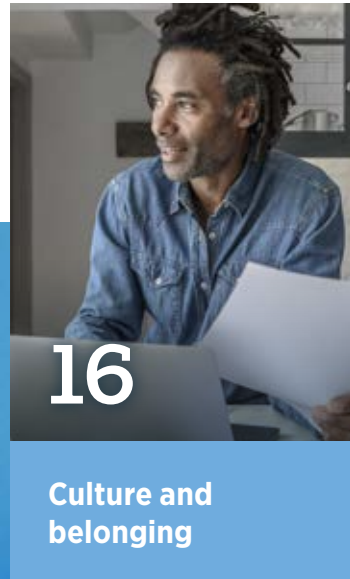
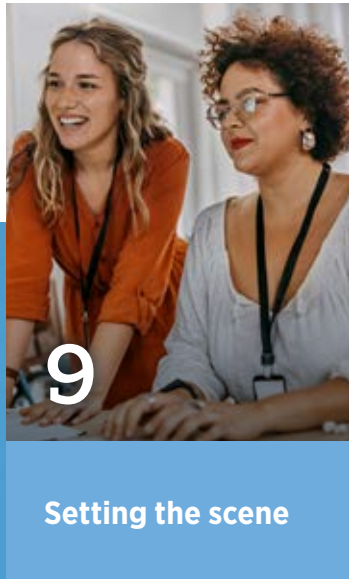


15 years of insights

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



Contents



43 Benchmarking your practices

44 Reporting lines

45 Budgets

45 Team size

46 Planning

47 Measurement

50 Broadcast channels

51 Collaboration and interpersonal channels

52 Self-serve channels

53 Intranets

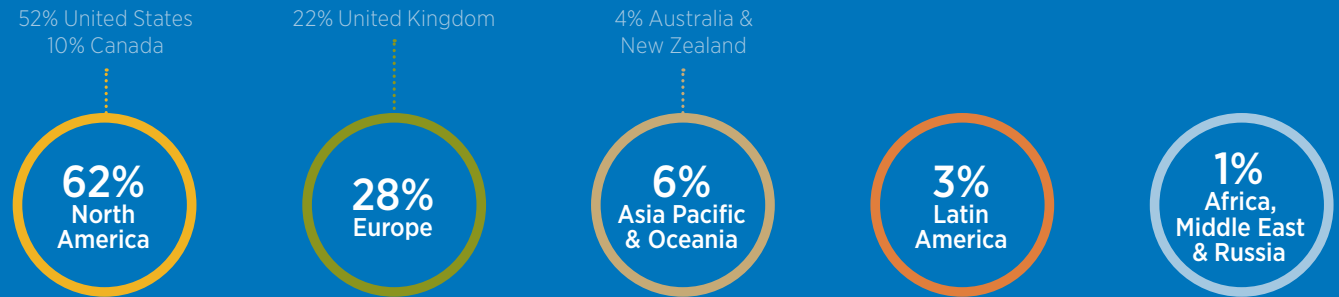
53 Employee apps

54 Conclusion

Who responded?

We ran the survey from October to November 2022 — **more than 2,000 organizations from all over the world took part.**

38% of respondents were in internal communication roles, while 34% described their remit as HR. The remainder came from leadership and management positions (11%), corporate communication and PR (7%), employee experience (2%), marketing (2%), operations (1%), IT (1%) and other roles (4%).



53 countries represented



30+ industries represented

9%	Healthcare
8%	Education
8%	Charity / Not for profit
7%	Public Entity / Local and Central Government
7%	Technology (excluding hardware)
6%	Banking and Finance (excluding insurance)
5%	Professional Services and Consulting

Organization size

40%	<500 employees
16%	500-1,499 employees
16%	1,500-4,999 employees
9%	5,000-9,999 employees
19%	10,000+ employees

Executive summary

①

The rise of culture and belonging

74% say the purpose of internal communication is to support culture and belonging

Internal communication was always about communicating strategy first and foremost and creating alignment around an organization's vision and purpose. While this is still true, the need to shape culture and create a sense of belonging has become much more prevalent. Overriding themes have been diversity, equity and inclusion (DEI); values and behaviors; and physical and emotional wellbeing, which shows increased convergence between HR and internal communicators.

②

A shift away from channels?

'Adapting the channel mix to hybrid working' has dropped from 39% to 19% as a priority

New ways of working have been a significant driver of change in the past two years — yet in 2022, those who deemed it a priority dropped from 39% to 19%. Similarly, the group that prioritized 'adapting communication channels to hybrid working' also shrank in numbers, which suggests organizations are moving past this after a rapid adaptation to the new reality. That said, a focus on refreshing internal communication strategy suggests communicators still feel a need to recalibrate what they do — after two years of focusing on channels ('how' we communicate), organizations seem to be taking a broader view of the ways that internal communication supports the business (the 'why' and the 'what').

③

Being a force for good

36% don't do any form of ESG communication

The importance of environmental, social, and governance (ESG) policies is on the rise, but organizations are far from formalizing how they deliver it — with 36% not sharing any ESG-specific communications. Only 11% named sustainability as one of the three topics they communicated most about over the past year. While 41% do admit to having a clear ESG strategy in place, most organizations are still struggling to strategically deploy ESG communications, share their views on sustainability and instead choose to focus exclusively on diversity, equity and inclusion.

④

Reinventing the employee-employer relationship

56% have started to revisit their EVP

After a period marked by high talent attrition, the labor market is turning. While employee value propositions (EVPs) have historically focused on talent attraction, we've seen growing awareness of their impact on talent retention through improved career wellbeing — with 56% saying their organizations have revisited their EVP in 2022, but only 28% believing this work to be well under way. Existing EVPs also have limited affect, as just over half (53%) rated employee understanding of compensation, rewards and benefits as excellent or good. This is a missed opportunity at a time when salaries are not keeping up with inflation and getting the most out of what you already have will be key.

⑤

In search of authenticity

26% say their organization is open to using creativity and humor in communication

The COVID-19 pandemic called for greater candidness from leaders and a more genuine tone of voice — illustrated by our 2021 report where 46% anticipated 'authenticity in messages' to be an emerging trend over the next two to three years. Now we're on the other side of that timeline, our survey paints a picture of a profession still largely led by 'corporate speak'. While 45% of respondents believe they can influence what gets communicated, only 35% feel empowered to inject more personality into their messaging, with many experiencing significant resistance to creativity and humor.

⑥

Blame the tech

46% believe their organization does not invest enough in communication technology

Channel satisfaction remains relatively low at 63%, with poor technology identified as one of the top five challenges. Less than half (46%) believe their organization does not invest enough in communication technology. Use of audience segmentation and personalization remains extremely limited, which is only partly due to technology limitations. Overall, the gap between the promise of digital innovation and the reality of the digital experience faced by employees continues to widen.



7

The untapped power of people managers

34% still view their people managers as a cascade channel

This year's report shows some progress has been made with 56% recognizing them as having an active role in communications — 58% also believe people managers are well equipped to support the physical and emotional wellbeing of their teams, and 40% say they're able to bring the EVP to life.

8

Change communication

58% fail to articulate a clear change narrative or design a consistent calendar of activities

With nearly 90% of organizations reporting planned change programs in 2023, it's safe to say that change communication is a fairly basic requirement for organizations of all sizes, not to mention a must-have skill for internal communicators — yet it remains a huge weakness across the board. While there are pockets of good practice, such as designing a long-term vision for change and creating a visual identity for change programs, a significant portion of organizations fail to articulate their change narrative, or understand its impact on different audiences. Neither do they maintain momentum with a calendar of scheduled communication activity.

9

Back to square one?

Demonstrating return on investment was the number one reason for measuring communication

In previous editions, we talked about the golden age of internal communication, showing how the pandemic had raised the profession's profile within organizations, and provided communicators with unprecedented levels of influence. While there's no evidence to suggest this influence has decreased, some signs suggest a return to old habits. Our primary aim this year was to demonstrate return on investment to leaders, especially as lack of capacity and budget both feature in the top three challenges for 2023.



Setting the scene

No one could have predicted that we would experience a third consecutive year of significant change, especially one that further influenced a deep shift in personal and organizational priorities. From war to inflation, global events have affected each of us individually, leaving internal communicators with a tough terrain to navigate.

Previous reports explored challenges thrown into the mix over the past two years, the impact of these on internal communication, and the subsequent need to re-invent ways to effectively engage with people. The growing prominence of employee wellbeing, sustainability, and diversity, equity and inclusion have added extra pressures — exacerbated by emphasis on the employee experience following the Great Resignation.

There is, however, a positive outcome to all of this. Internal communication has become all the more important with practitioners gaining greater influence. What's more, recent events have presented prime opportunity to pause and rethink the very purpose of internal communication, the role it plays and the role it should be playing in supporting the organizational wellbeing within an ever-changing employee landscape.

This year's report pulls focus on four primary areas where a recalibrated approach has been necessary. Beginning with culture, we ask what purpose internal communication plays in influencing how people feel about their place of work. Next, we explore the ways internal communicators have served to redefine the employee experience. Our third chapter asks if organizations have succeeded in reassuring employees in an increasingly fragile world. Finally, we examine whether advances in digital technology are truly driving better communication.

What's the purpose of internal communication?

Creating alignment around organizational vision, purpose and strategy has traditionally been the raison d'être of internal communication. Has this changed?

Two answers topped the list, and not in the order we expected. Culture and belonging (around 3 in 4) competed with strategic alignment (over two thirds), with results varying according to number of employees. For organizations with more than 5,000 employees, the primary purpose of internal communication is strategic alignment (77-78%), closely followed by culture and belonging. By contrast, organizations of fewer than 5,000 employees see culture and belonging as the main purpose of internal communication with strategic alignment being a sometimes much more distant second choice — particularly in smaller entities.

Organizational agility ranked third across all organizations regardless of size, while managing risks and improving customer experience were subject to the most variations across industries. Where a large percentage of staff are customer facing (such as retail, hospitality and support services), customer experience came third at 40-44%.

Surprisingly, talent retention doesn't feature high on the internal communication agenda despite concerns around the Great Resignation. As expected, however, it does land higher on the list of HR development priorities. Employee advocacy sits at the bottom of the list (even for respondents in a marketing role).

What is the purpose of internal communication in your organization?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Culture and belonging Creating an inclusive workplace where employees feel valued and energized	74%	70%	79%	77%	69%	75%
Strategic alignment Creating clarity around your strategy and create a sense of ownership	67%	56%	71%	73%	78%	77%
Organizational agility Supporting the adoption of new behaviors, systems and processes	47%	46%	49%	46%	52%	47%
Risks Managing specific risks, e.g. cybersecurity, health and safety, ethical conduct	29%	30%	24%	30%	29%	27%
Customer experience Empowering your employees to deliver the best possible service	25%	29%	25%	21%	18%	23%
Talent retention Demonstrating what people 'get' in return for working for you	22%	25%	21%	20%	18%	20%
Employee advocacy Encouraging your employees to promote your brand, services and products	15%	14%	12%	16%	17%	15%

The right balance of topics

What themes are communicators focusing on and does this align with the stated purpose of internal communication?

Strategy, vision and purpose was paramount across organizations of all sizes, which is consistent with responses to the previous question regarding the purpose of internal communication. Beyond this, the three most popular topics each contributed to the creation of an inclusive culture and a sense of belonging. Diversity, equity and inclusion came second at 29%, while value, behaviors and culture, and wellbeing and mental health sat side by side at 27%.

Subsequent answers revealed significant nuances across the five groups. Smaller organizations were more likely to focus on benefits, rewards and compensation, and employee recognition. Meanwhile, larger organizations put the spotlight on ways of working and customer experience.

Sustainability sat low on the list with just 11% of votes despite the fundamental role that businesses play in tackling climate change — however, it featured in the top five areas of focus for enterprise organizations. Lastly, only 8% of companies placed career paths and learning and development in their top three topics.

What has your organization communicated about most over the past year?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Strategy, vision and purpose	45%	39%	40%	53%	53%	52%
Diversity, equity and inclusion	29%	18%	28%	37%	36%	41%
Values, behaviors, culture	27%	28%	29%	24%	24%	29%
Wellbeing and mental health	27%	22%	33%	29%	31%	26%
Benefits, rewards and compensation	26%	33%	29%	24%	13%	15%
Employee recognition stories and awards	24%	27%	24%	25%	21%	17%
Health and safety	22%	29%	20%	15%	16%	17%
Customer experience, new products / services	21%	22%	22%	19%	22%	20%
Ways of working	20%	18%	18%	21%	25%	21%
New digital platforms and systems	14%	15%	13%	14%	9%	14%
New regulations, ethics, compliance	11%	14%	11%	6%	14%	10%
Sustainability	11%	7%	8%	7%	14%	23%
Career paths, mentoring and coaching	8%	8%	7%	10%	9%	8%

Top 3

Top 5

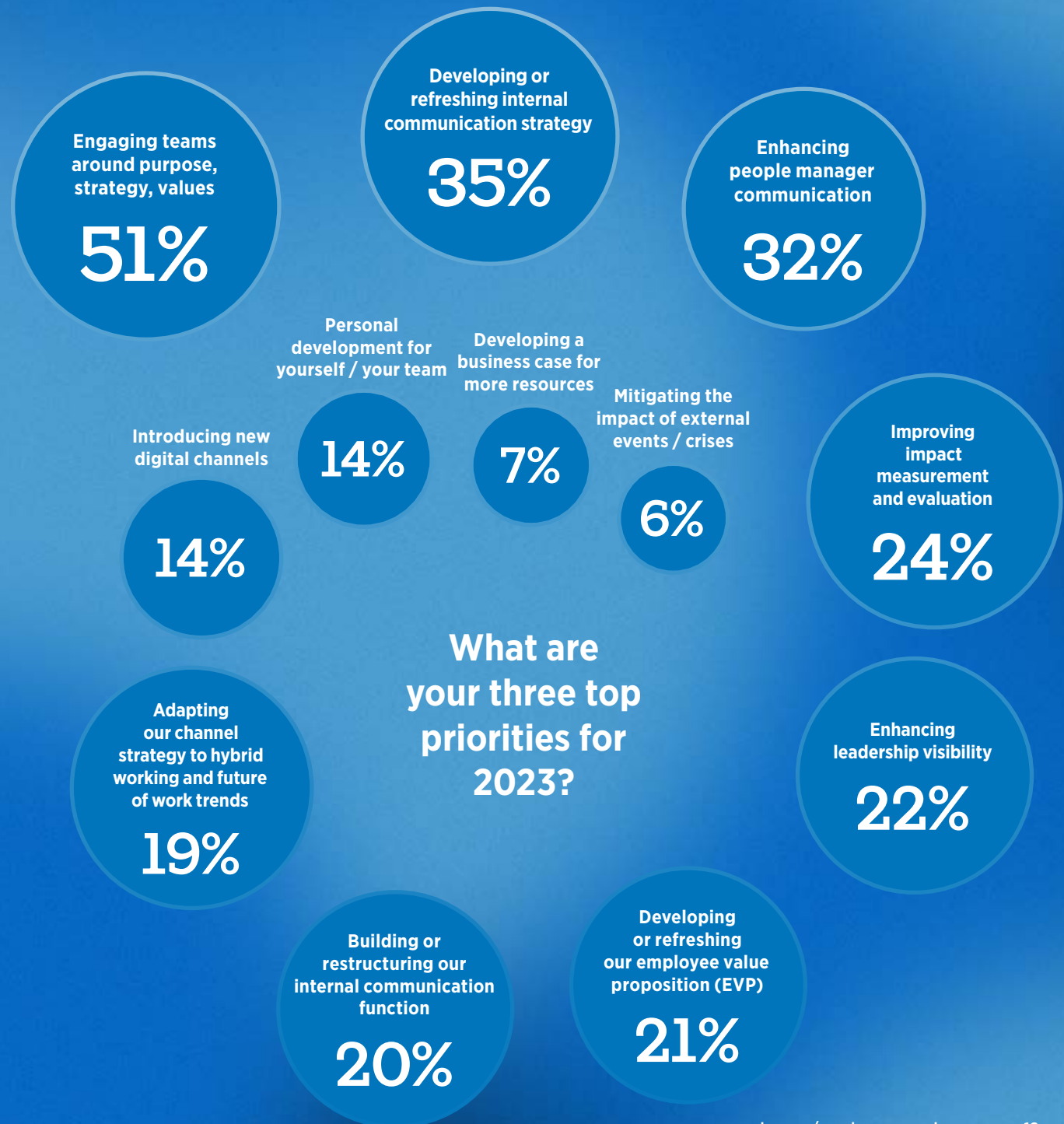
2023 priorities

We asked respondents to identify their top three priorities for 2023.

Engaging people around purpose, strategy and values remains the number one priority for 51% of organizations regardless of size or geography with similar scores across the board. This top result is consistent with the previous six editions of our report.

By contrast, adapting channel strategy to hybrid working dropped significantly from last year's number two spot, with fewer than 1 in 5 respondents classing it as a priority. Instead, developing or refreshing our internal communication strategy jumped 9 points from last year to take second place with 35% — indicating a perceived need to recalibrate communications.

Results for enhancing people manager communication also echoed last year's report, placing it third with 32%. Scores for developing or refreshing employee value proposition also mirrored last year's score at 21% — only 2% down from 2021.



Priorities by organization size

A closer look at 2023 priorities reveals vast discrepancies between organizations of different sizes.

Smaller entities are more likely to focus on developing their people managers, enhancing leadership visibility or building their internal communication function as they grow their business. Larger organizations are more concerned with improving the way they measure and evaluate the impact of their internal communication, while enterprise organizations will focus on adapting their channels to support hybrid working.

	Overall		By organization size (Number of employees)				
	2023	2022	Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Engaging teams around purpose, strategy, values	51%	53%	53%	50%	52%	53%	46%
Developing or refreshing internal communication strategy	35%	26%	27%	37%	49%	39%	36%
Enhancing people manager communications	32%	31%	32%	35%	37%	21%	29%
Improving impact measurement and evaluation	24%	26%	17%	23%	23%	30%	32%
Enhancing leadership visibility	22%	26%	18%	25%	24%	29%	23%
Developing or refreshing our employee value proposition (EVP)	21%	23%	26%	17%	13%	22%	23%
Building or restructuring our internal communication function	20%	29%	19%	24%	22%	16%	21%
Adapting our channel strategy to hybrid working and future of work trends	19%	39%	16%	23%	17%	19%	24%
Introducing new digital channels	14%	14%	10%	13%	15%	18%	18%
Personal development for yourself / your team	14%	10%	24%	9%	10%	5%	6%
Developing a business case for more resources	7%	11%	6%	5%	10%	5%	10%
Mitigating the impact of external events and crises	6%	N/A	6%	2%	4%	7%	8%

Top 3

Top 5

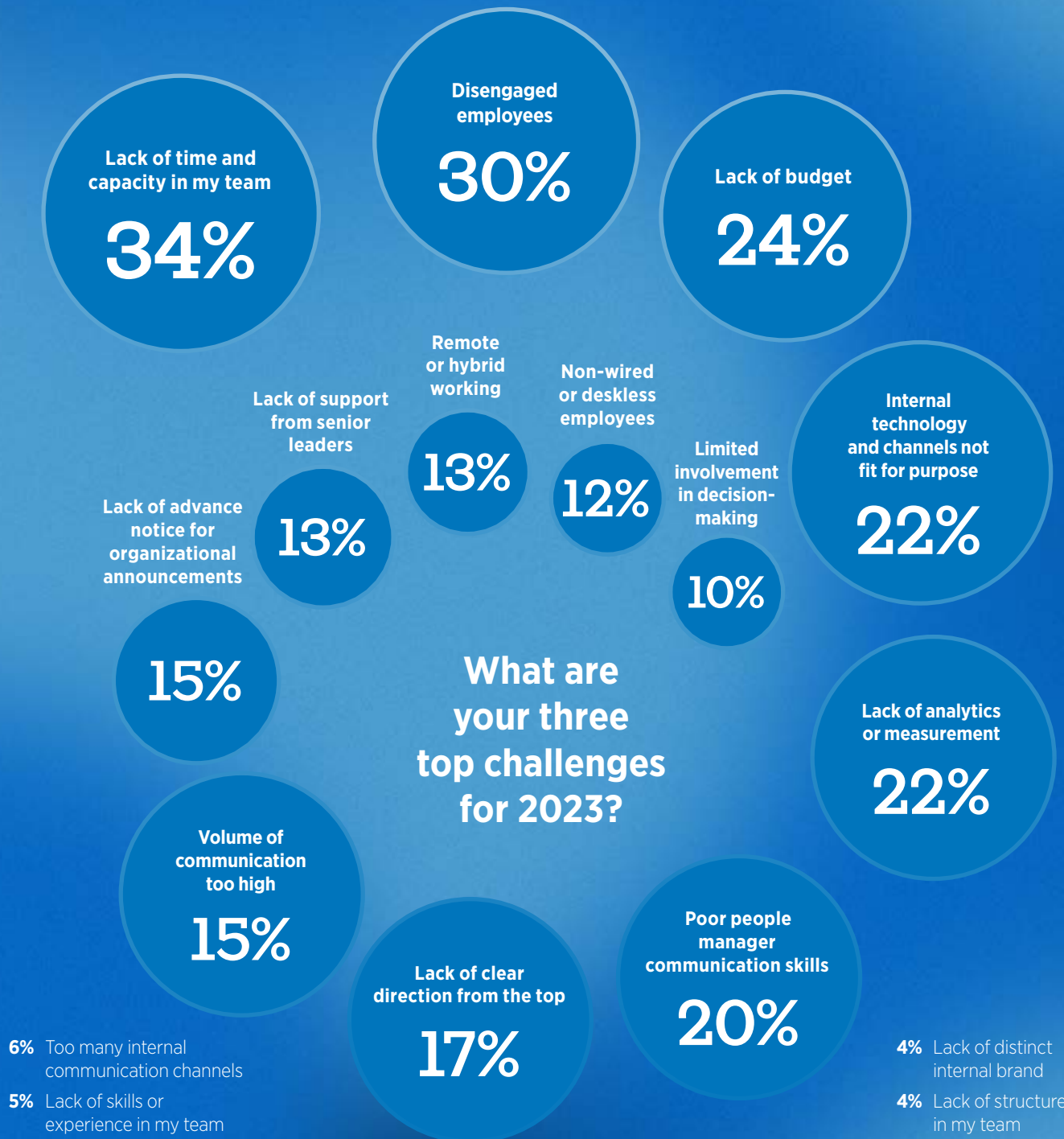
2023 challenges

We asked respondents what they saw as their biggest challenges in the coming year. While these have not varied drastically in previous reports, this year told a different story with a number of surprising results.

Lack of time and capacity came top of the list for the first year — something that wasn't entirely unexpected after its rising prominence in previous years. Disengagement dropped from first to second place with nearly a third (30%) of respondents highlighting it as a continuing challenge. Lack of budget made a significant jump at 24% up from 11% in 2021, which landed it third from the top.

Equal ranking (22%) was given to inadequate internal technology and channels, and lack of analytics — with higher scores given by organizations of more than 500 employees. These results remained relatively unchanged from previous years as channels and analytics tend to be ongoing concerns for larger organizations.

Lack of support from senior leaders and lack of advance notice given around organizational announcements both sat low on the list with 15%, while lack of involvement in decision making sat even lower at 10%. Lastly, issues presented hybrid working were deemed much less of a challenge than in previous years with only 1 in 6 respondents flagging it.



Challenges by organization size

While lack of time and capacity is a significant barrier for all organizations, other scores vary in line with organization size.

Dissatisfaction with internal technology and channels is a much bigger issue for organizations of more than 500 employees. Concern around lack of analytics and volume of communication are both highlighted as larger problems for organizations up to 10,000 employees. Meanwhile, lack of budget tends to be less of a concern for these bigger entities, perhaps due to economy of scale.

Top 3

Top 5

	By organization size (Number of employees)						
	2023	2022	Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Lack of time and capacity in my team	34%	32%	34%	37%	35%	36%	31%
Disengaged employees	30%	37%	33%	29%	29%	24%	28%
Lack of budget	24%	11%	27%	24%	22%	24%	23%
Internal technology and channels not fit for purpose	22%	22%	11%	26%	33%	26%	27%
Lack of analytics or measurement	22%	27%	18%	23%	21%	26%	25%
Poor people manager communication skills	20%	27%	20%	23%	21%	17%	19%
Lack of clear direction from the top	17%	20%	24%	17%	11%	15%	13%
Volume of communication too high	15%	22%	5%	13%	19%	20%	30%
Lack of advance notice given for organizational announcements	15%	12%	10%	15%	18%	22%	16%
Lack of support from senior leaders	13%	8%	16%	13%	11%	6%	13%
Remote or hybrid working	13%	11%	15%	15%	15%	10%	9%
Non-wired or deskless employees	12%	12%	9%	13%	16%	11%	14%
Lack of involvement in decision-making	10%	12%	9%	10%	12%	17%	9%
Too many internal communication channels	6%	9%	6%	8%	3%	0%	11%
Lack of skills or experience in my team	5%	7%	7%	4%	3%	5%	4%
Lack of distinct internal brand	4%	9%	6%	3%	5%	1%	3%
Lack of structure in my team	4%	6%	5%	1%	3%	7%	5%

Chapter 1

Culture and belonging

How is communication influencing the way people feel about work?

Culture can be defined in many ways. No matter what it means to respondents, most agreed on its importance this year. So much so, that ‘culture and belonging’ was named as the primary purpose of internal communication.

Culture relies on the alignment and sustained engagement of everyone within an organization, from senior leadership to frontline teams. Communication alone cannot create, improve or ‘fix’ it. To a large extent, culture is influenced by leadership behaviors, the history of an organization and the impact of external factors.

That’s why, in this section, we’ll focus purely on the components that we believe internal communication can influence, such as defining what is considered ‘acceptable’ or ‘unacceptable’ in terms of the way people interact with each other. We also ask how communications shape the way an organization talks to its people, how this influences the behaviors and attitudes that people managers instill in their teams, and how it creates a sense of ‘togetherness’ and supports the organizational wellbeing in an increasingly virtual environment.





Diversity, equity and inclusion — communicating, no matter what?

Diversity, equity and inclusion was the [second most frequently communicated topic](#) in 2022, behind “strategy, vision and purpose” – with 29% of respondents naming this as one of the top three topics their organizations has focused on over the past year.

Just over 4 in 10 respondents felt that they had a [clearly defined strategy](#) around this, with another 38% saying they are still working on it. While these results position diversity, equity and inclusion as one of the best defined “components of the employee experience”, comparatively speaking, it also shows how many organizations are still grappling with the challenge.

Although lacking in strategy, organizations have deployed an impressive range of tactics to embed this — and sophistication increases as companies grow. Less than 10% of organizations with more than 1,500 employees do not have any dedicated communication tactics in place — a proportion that increases to around a third of smaller organizations.

The most frequently used tactics across the board are awareness days and employee resource groups or champions. Less than 30% have taken a campaign-based approach to communicating around this topic. Only 15% have chosen to place people managers at the heart of their strategy, which is a disappointing result when we consider inclusion as a behavior that ought to be enacted and reinforced every day by every employee.

Over 50%

Over 1/3

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Awareness days and events	54%	32%	55%	65%	77%	76%
Employee resource groups or champions	48%	23%	48%	58%	69%	76%
Training	45%	37%	44%	49%	46%	57%
Employee stories	40%	15%	41%	55%	58%	66%
Leadership announcements	38%	22%	35%	44%	54%	57%
Ongoing campaigns	28%	11%	26%	32%	41%	49%
Manager forums and toolkits	16%	8%	9%	21%	22%	30%
None of these	19%	34%	20%	9%	8%	3%

‘Un-sanitizing’ internal communication

Internal communication has the power to set the tone from the top and influence how employees feel about work. Which is why we wanted to investigate how much freedom communicators have when it comes to delivering more authentic and creative communications.

In terms of their sense of autonomy, just under half felt they are given enough room to choose ‘what gets communicated and how’, which is the least you could ask for as a professional communicator. A third felt they had the freedom to trial new tactics or inject more personality into their communications, while 1 in 6 reported high levels of resistance from their organizations to this level of free expression.

We also find disparities regarding this topic across industries. While creativity and humor saw the highest levels of resistance, with only 1 in 4 respondents saying their organizations are very open to it, this number rose to 45% in the consumer good industry and fell to 36% in the legal sector.

Do you feel your organization’s culture enables you to...

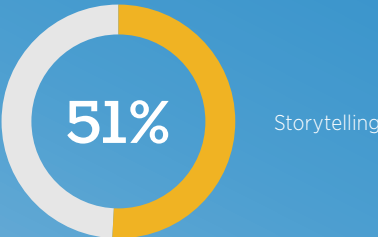
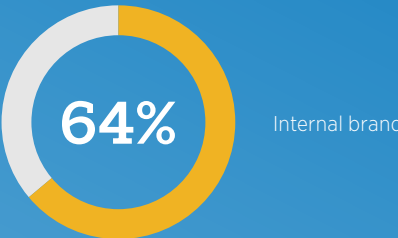
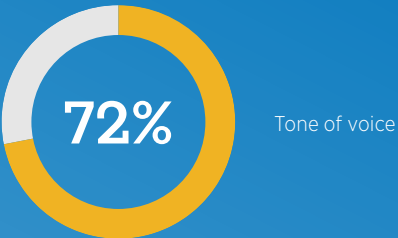
	Frequently	Sometimes	Rarely
Have a say in what gets communicated, and how	45%	43%	12%
Trial new tactics and approaches	36%	50%	14%
Inject more “personality” into communications	35%	51%	14%
Use creativity and humor	26%	56%	18%

The power of creativity

When it comes to execution, only a minority of respondents felt they fully utilized the power of their creativity.

Tone of voice was the overall winner in terms of allowing communicators to best utilize creative expression, yet there is still significant margin for improvement. Storytelling received the lowest score, with just over half of respondents saying they use this quite well or very well.

How well do you feel you are utilizing the following to deliver impactful internal communication?
(Total of ‘Very well’ and ‘Quite well’)



The untapped potential of people managers

People managers bring both the employee experience and the organizational culture to life. With this in mind, how are organizations tapping into their potential?

Not fully, it seems. Just over a third of respondents still see people managers as purely a “cascade channel”, passing on whatever corporate messaging is deemed necessary by the organization. By contrast, only 8% of organizations bypass people managers completely, choosing to remove the intermediary and communicate directly with employees instead.

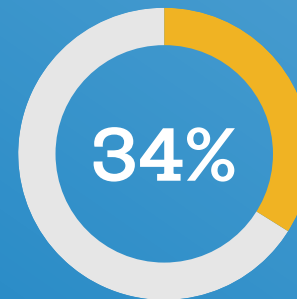
It is encouraging, however, to see that a small majority of respondents recognize a proper ambassador role for people managers, stating that their role is to reinforce and adapt internal communication to their team’s unique needs.

How well equipped are your people managers to achieve the following goals?

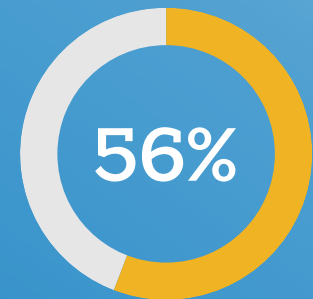
While results reveal that expectations placed on people managers are high (with 90% of respondents seeing them as playing some role in supporting communications), it seems that little is done to help them meet these expectations. Just over half (58%) say they are well equipped to support the mental health and wellbeing of their teams, while slightly less (56%) say they feel able to connect employees with a sense of purpose.



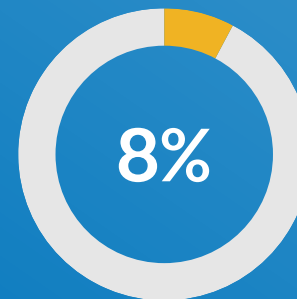
To what extent do you rely on people managers to share and reinforce corporate information with their teams?



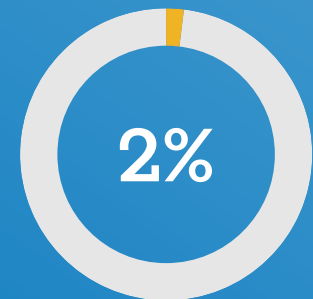
Extensively — they are the primary channel through which we cascade our corporate messages



A little — they are expected to reinforce corporate messages and make them relevant to their teams



Very little — we prefer our people to have direct access to corporate information with no intermediary



I'm not sure

The quest for belonging

With only 19% of respondents naming ‘adapting their channel strategy to hybrid working’ as a priority for 2023 (compared to 39% last year), have organizations finally found the perfect solution to re-connect with employees post pandemic?

The results tell us this isn't quite the case just yet. When asked how they rate their channels in enabling them to truly connect with employees, only 12% said they are “very good” while 48% said they are “quite good”.

When asked what tools organizations see as contributing the most to a sense of belonging, respondents primarily named tactics that don't necessarily relate to work, such as cultural events, corporate volunteering and social evenings. A third of organizations across all industries utilized appreciation weeks, but only 10% of respondents cited use of anchor days, where all employees are encouraged to come into the workplace.

“ Only 60% of respondents thought their channels were very good or quite good at connecting people on a human level.

What tactics have you used in the past 12 months to help employees feel more connected to the organization and each other?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Workshops / cultural events	45%	36%	42%	50%	48%	56%
Corporate volunteering	40%	25%	46%	44%	45%	52%
Social evenings	40%	43%	46%	37%	31%	36%
Appreciation / Recognition Week	38%	41%	33%	38%	36%	39%
Competitions	31%	25%	28%	35%	25%	40%
Sports days	10%	10%	12%	7%	8%	12%
Anchor days	9%	5%	9%	8%	12%	13%
None of these	15%	18%	15%	14%	20%	11%

Over 50%

Over 1/3



The Gallagher view

People want authenticity. Why do we keep serving them sanitized content?

Buzzwords aside, ‘authenticity’ is what employees in 2023 truly want. They’re increasingly looking for genuine and transparent experiences — something that makes them feel good about their place of work.

That said, our profession is still largely led by ‘corporate speak’, which means turning down the tone and playing it safe! Leadership teams hide behind the organizations they represent. Digital experiences fail to meet people where they are. Communications lack personality and emotion.

It’s time to be braver.

Your people value open and honest stories about why you do what you do. Bringing them along on the journey, rather than channeling your messages through a megaphone, can deliver positive and tangible results.

Consumers today have access to endless information at their fingertips. Which is precisely why we need to show up authentically in order to create a lasting memory. We achieve this by ensuring all experiences are useful, relevant and entertaining — starting with the way leaders communicate.

It’s time for leaders to think like influencers who’ve grown loyal followings as a result of their transparency. In being open about who they are, their values and goals, they’ve become pioneers. Let’s learn from this and build authentic brand stories that give meaning to what you do.

Short-form videos also continue to dominate social media, keeping users more engaged than other content. Gen Z is fast approaching 30% of the workforce. Video is their preferred source for information, so prioritizing efficient (rather than perfect) video creation will generate timely, authentic content that cultivates meaningful relationships with the right audience.

Using a touch of satire is a great way to build that connection, especially in tough times. Humor is a potent stress buster and offers a cognitive shift in how you view your stressors. It also humanizes a subject, allowing employees and managers to discover common ground. We all prefer to have fun at work, and we could all do with a laugh these days. There’s really no need for organizations to take themselves so seriously.



Howard Fry

Creative Director
Communication Consulting practice

Chapter 2

Employee experience

Have we learned any lessons from the Great Resignation?

After three years of reflection and recalibration, have organizations taken steps to redefine the employee experience — along with the employer-employee relationship?

The Great Resignation placed significant pressure on organizations to improve both talent retention and attraction. Although talent retention featured relatively low on the list of possible purposes of internal communication, a few signals indicate that many organizations have taken steps to rebalance the employer-employee relationship.

Around 1 in 5 cited developing and refreshing their employee value proposition (EVP) as one of their top priorities this year. With many organizations already stretched financially, making the most of what's already in place will be key. And we've found evidence of the positive impact of a defined EVP on employees' understanding of their rewards, benefits and career development opportunities.

So how much progress have organizations made with their EVP and employee experience in the past year?





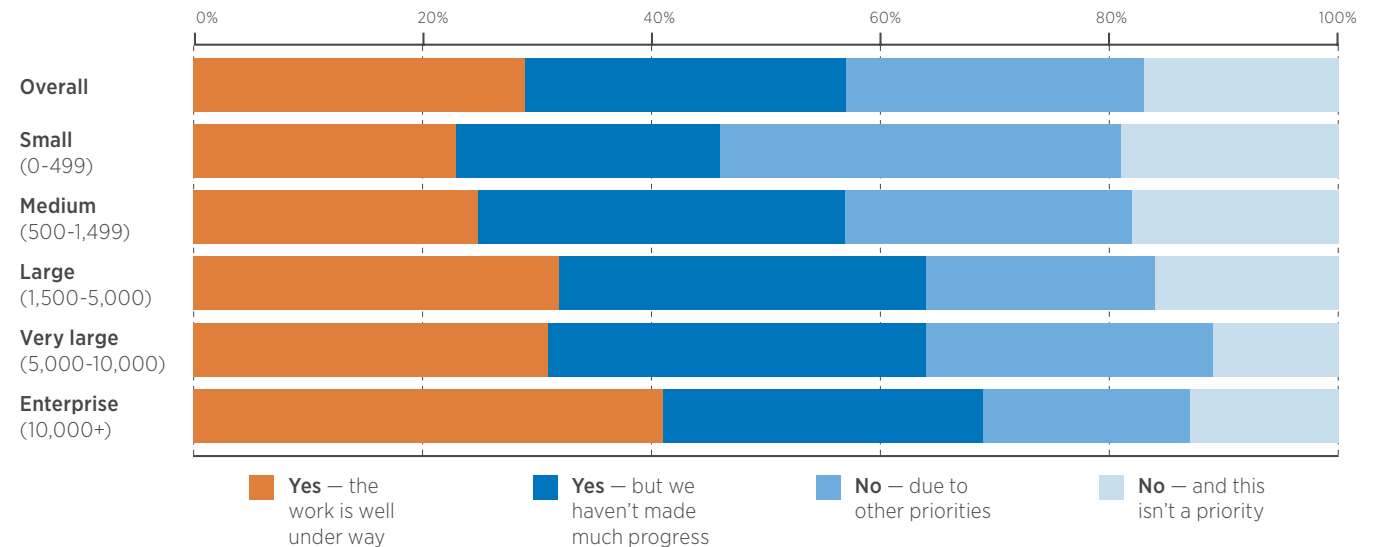
Redefining our promise to employees

A majority of respondents reported efforts to revamp their organization's employee value proposition (EVP) over the past year.

Overall, 57% say they have taken steps towards such a review, which includes 29% saying they've already made good progress. This proportion rose to over two thirds in organizations with more than 1,500 employees.

Interestingly, respondents in an internal communication role were slightly more likely to report that their organizations had undertaken a review of their EVP compared to those in an HR role. The fact that internal communication functions are aware and involved in the development of EVPs suggest that these are maybe becoming more internally-focused, with talent retention emerging as a more prominent goal.

Has your organization taken steps to revisit its employee value proposition in the past 12 months?



Limited impact

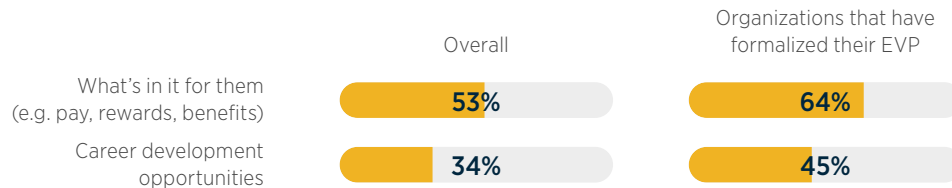
In a context of unprecedented inflation, organizations are doing a fairly average job at communicating what they have to offer in terms of pay, rewards, benefits and career development.

EVPs are arguably evolving concepts, so it can be hard to capture their essence in a PowerPoint presentation. That said, there is value in writing down your promise to employees, especially as a way to cultivate shared understanding across leaders, communicators and HR. Overall, 26% of organizations said they have put their EVP down on paper — a proportion that increases to 33-39% in larger organizations.

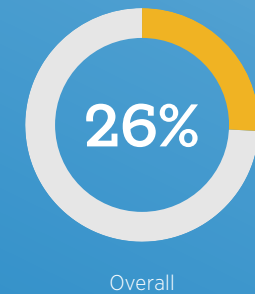
If we define an EVP as 'what's in it for employees', organizations seem to be doing an average job at communicating this. When asked how they'd rate employees' understanding of their compensation, rewards and benefits package, just over half (53%) rated this as either excellent or good — which is a truly missed opportunity. This drops to 34% for career development opportunities, which is a precariously low score when research shows poor career wellbeing to be one of the top reasons employees leave their jobs.

Interestingly, organizations that reported having a written EVP rated their employees' understanding of both pay, rewards and benefits, and career development significantly higher. Now that salaries are struggling to keep up with inflation, leveraging rewards and benefits is key to retaining top talent and enhancing employee financial wellbeing — as well as promoting less tangible (but no less important) aspects like culture and belonging. This is where communicators can really make a difference, by raising awareness of what makes an organization a great place to work beyond the paycheck.

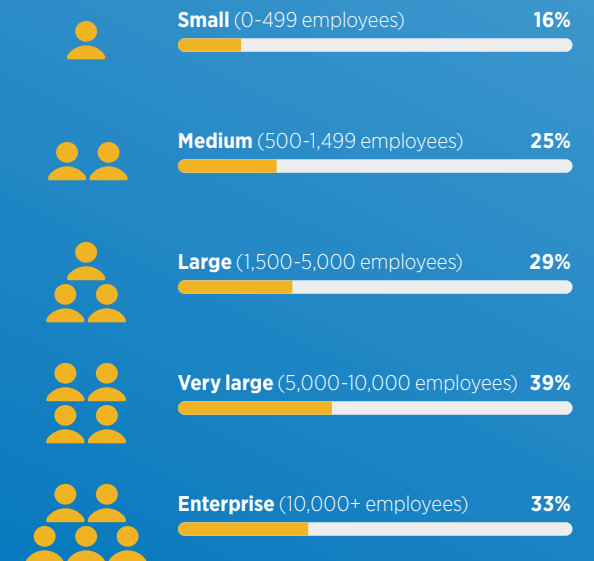
How would you rate your employees' understanding of the following? (Total of 'Excellent' and 'Good')



Which of the following documents do you currently have in place?
'An employee value proposition'



By organization size



72% of respondents believe that employee experience is on their leadership team's radar

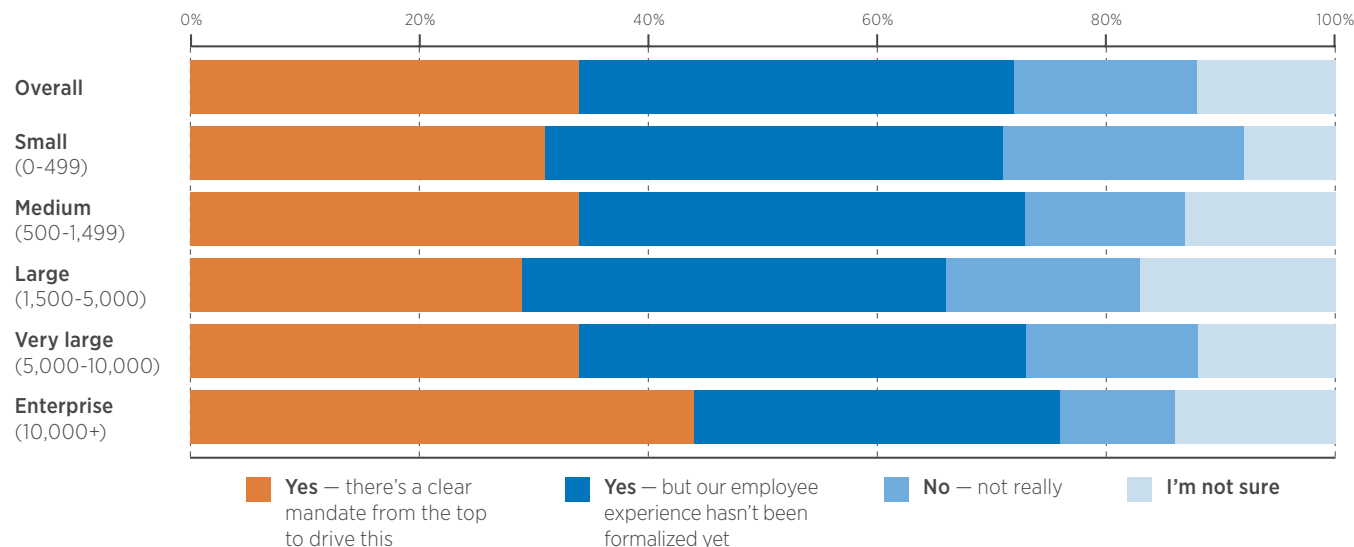
Prioritizing the employee experience

Defining your promise is one thing... but how do you embed it in everyday interactions with your employees?

Our 2021 report asked if the concept of employee experience was finally coming of age, especially after the COVID-19 pandemic highlighted a critical need to focus on it.

This year, 72% of respondents believe the employee experience is on their leadership team's radar, which is only a small increase on last year's 68%. Around a third say they have a clear mandate to improve it and this portion rises to 44% in organizations with more than 10,000 employees. Overall however, the number of respondents reporting an informal approach to embedding the concept remains disappointingly unchanged since 2021.

Is the overall employee experience discussed at executive level in your organization?



The components of the employee experience

Organizations continue to prioritize some very specific components of the employee experience and neglect others, including their workplace experience and digital experience.

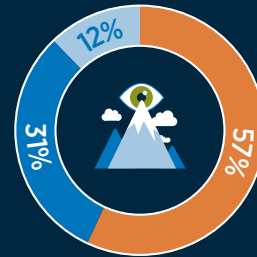
As the most well-defined component, purpose and strategy was seen by 57% of respondents as being leveraged well. Three other components (which are also notably easier to define) attracted around half of the votes. These were rewards, benefits and recognition; learning and development; and wellbeing.

Diversity, equity and inclusion, and ways of working scored a little lower with around 8 in 10 respondents saying their approach is either well defined or in development.

This left three components lagging behind with 36% of respondents citing no digital experience strategy, 33% reporting lack of activity around environmental and social impact (a new component this year), and 28% with no structured workplace experience.



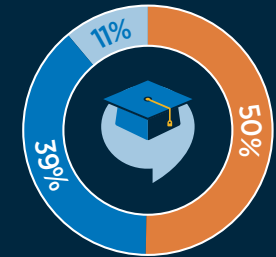
Does your organization have a clear strategy for each of the following components of the employee experience?



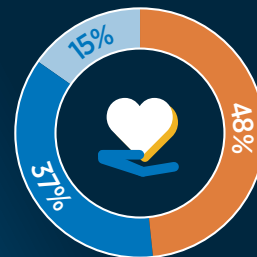
Purpose and strategy



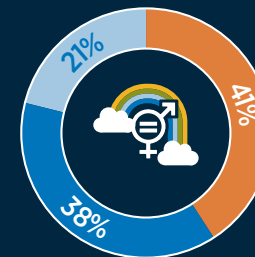
Reward, benefits and recognition



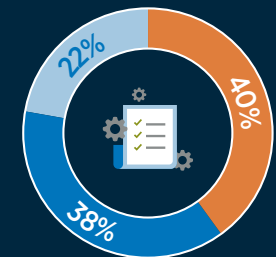
Learning and development



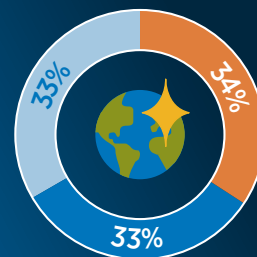
Wellbeing



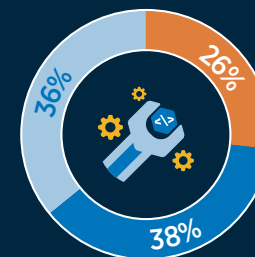
Diversity, equity and inclusion



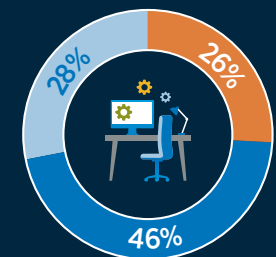
Ways of working



Environmental and social impact



Digital experience



Workplace experience

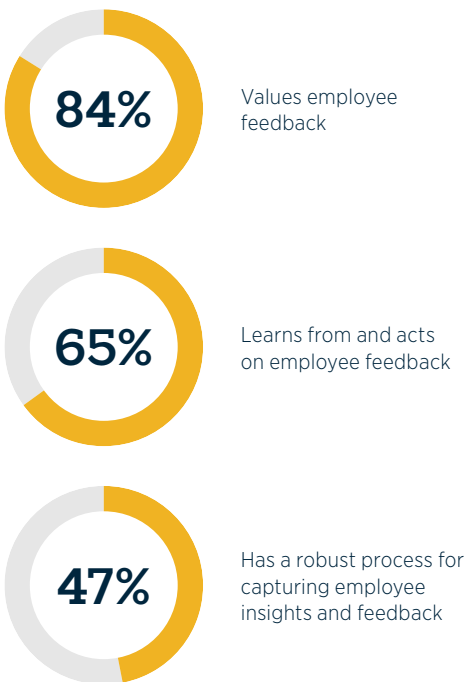
Employee feedback

How does employee feedback shape an organization's EVP?

Organizations value employee feedback, according to 84% of respondents — with 65% also believing their organization did a good job of learning from it. However, as in previous years, less than half of respondents considered the process of capturing employee insight to be robust.

To what extent do you agree with the following? My organization...

(Total of 'Strongly agree' and 'Agree')



Organizational listening

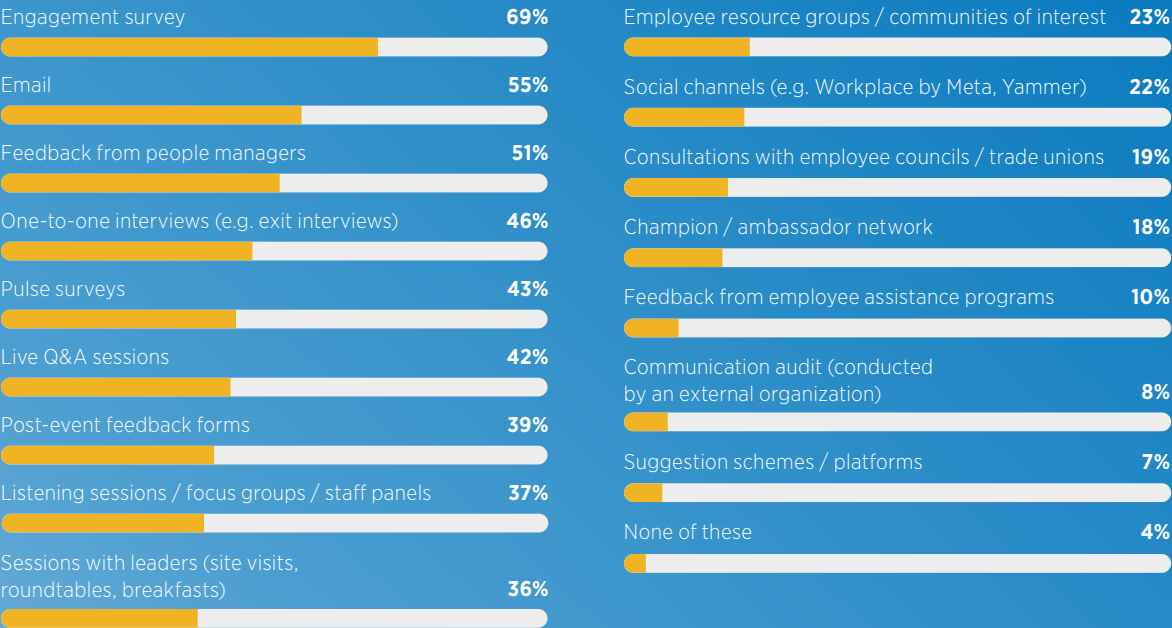
With 9 listening channels in use by more than a third of respondents, there is no lack of valuable resource to collect employee insights.

While smaller organizations are more likely to rely on a limited number of informal sources, the number of channels increases to 11 in larger organizations who leverage a broader mix of quantitative and qualitative sources.

Why then, do respondents feel organizations are not doing a good job of capturing employee feedback? The fact that channels exist does not necessarily mean they are being fully utilized. While it's great to see a diversity of sources in use, converting captured data into actionable insight isn't always easy — especially as lack of time and capacity has become even more of a challenge this year.

Employee listening, while important, can always be pushed down the list of priorities.

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



The Gallagher view

Reinventing the employer-employee relationship

Employers and employees have been renegotiating the terms of their relationships in recent years.

We've seen high levels of people jumping ship and increased pressure on people managers after a period of high attrition and hybrid working. As a result, the focus is now turning towards creating a sense of belonging and purpose for employees amid economic uncertainty.

The competition for talent, however, remains fierce. So, how can companies invest in people and stay ahead of competition? While 57% of organizations have started revising their employee value proposition (EVP) this year, their impact remains limited with only just over half rating employees' understanding of their compensation, rewards and benefits package positively. Organizations therefore need to answer the questions 'why should I work for you?' and 'why should I stay with you?', but too many focus on the former and overlook the latter.

What's more, with many organizations now stretched financially, reimagining how to get the most out of what they have must be a priority. Highly effective EVPs can help, as they combine important factors, such as pay and benefits, with essential factors, such as career wellbeing and work environment, to help employees understand how their needs are met.

The result? A better employee experience and improved financial performance.



Siobhan Hammond

Head of Communication and Change
Communication Consulting practice

Are we at risk of creating diversity fatigue?

Diversity, equity and inclusion (DEI) was the second most frequently communicated topic this year, yet surprisingly few respondents (4 in 10) felt they had a clearly defined strategy around it.

We saw plenty of tactics at play, from awareness days to training, but how do these add up without a strategy in place?

We'd hazard a guess that for many organizations, DEI communications are siloed. It feels like a separate 'thing' to communicate, when it should be complementary to (and embedded within) all communication around business strategy, people priorities and ways of working.

This could be why it feels like we're over-communicating DEI — a sentiment we've seen come out of some recent client audits.


We need to stop 'othering' DEI communications.

Diversity is integral to business. It ensures your organization is both sustainable and meeting the needs of your customers. What's more, DEI is a holistic part of organizational wellbeing and the responsibility of everyone. Genuine inclusion is a behavioral choice we make every day. Which means that, in turn, it should be communicated in a human way with authenticity.



Sharn Kleiss

Employee Experience Strategy Lead
Communication Consulting practice

A photograph of two women looking at a document. The woman on the left is wearing a white lab coat. The woman on the right is wearing a blue polo shirt and an orange safety vest. They are both looking down at a document held by the woman in the lab coat. The background is blurred, suggesting an industrial or construction setting.

**25% of
organizations
have become more
responsive to
external events**

Chapter 3

Navigating uncertainty

How are organizations providing reassurance in an increasingly fragile world?

2022 brought many new global challenges in the wake of the COVID-19 pandemic — not least the resurgence of war in Europe, the cost of living crisis, mass redundancies in the technology sector, and political turbulence in some of the largest economies. While these developments rouse a degree of uncertainty in the workplace, they are not the only influencing factors with digital transformation, culture change and acquisitions ensuring internal change remains constant.

Controlling organizational narratives while maintaining clear sight of desired outcomes can therefore seem like a daunting task — which is why we asked, how are internal communicators rising to the challenge of providing clarity, continuity and certainty within an increasingly uncertain world?

Responding to external events

With only 6% of respondents citing ‘mitigating the impact of external events / crises’ as a priority, have organizations really not felt the need to change their attitude towards commenting on what happens in the world outside?

Overall, 1 in 4 felt the need to become more responsive to external news. Out of 75% of respondents who said the events of 2022 have not significantly impacted the way they communicate to staff, the majority stated this was out of choice — their organizational policy being not to comment on external news. Just over a quarter (26%) felt they were already responsive and didn't need to adjust. Another 14% said they should have but didn't — their reasoning remained unclear yet could have been due to lack of capacity or direction from senior leadership.

As for larger organizations with greater exposure to global events, only 20% said they chose not to comment.

Has your organization taken a more responsive approach to reacting to external news in the light of recent events?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
We have always been responsive to external news — recent events haven't changed this	26%	19%	21%	28%	35%	36%
We have become more responsive recently	25%	16%	27%	29%	30%	36%
We have NOT become more responsive, but we should	14%	17%	13%	18%	7%	9%
We have NOT become more responsive, and our corporate policy is to not comment on external news	35%	47%	40%	24%	28%	20%



Sustainability: the elephant in the room?

After another year of alarming climate change developments, we wanted to explore in greater detail how organizations embed their Environmental, Social, and Governance (ESG) commitments into their employee experience.

A third of organizations don't communicate their ESG goals at all. This percentage drops to 18% in organizations of more than 5,000 employees, which suggests ESG is a topic deemed more relevant to larger organizations. Even then, the primary objective of these communications is to share ESG commitments and encourage employee advocacy.

Overall, results reveal little connection being made between ESG and organizational change, with a fairly insignificant 5% saying they communicate ESG goals as a way of supporting transition to greener operating models. Another 5% used ESG comms to encourage employees to reduce their personal impact.

What is the most important objective of your ESG communications?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
We don't communicate about ESG	36%	56%	37%	30%	18%	15%
Inform employees of your ESG commitments and activities	26%	16%	27%	26%	39%	36%
Encourage employees to support their local communities and charities	13%	13%	13%	16%	12%	11%
Drive employee advocacy around your ESG commitments	12%	5%	11%	13%	18%	21%
Support the transition to new operating models	5%	3%	4%	6%	9%	9%
Encourage employees to reduce their personal impact on the environment	5%	4%	5%	7%	4%	6%

36% of organizations don't communicate their ESG goals internally

Embedding strategic narratives

How does external ‘noise’ affect organizations’ ability to create a clear narrative that articulates their purpose and strategy to employees?

We’ve already seen that 57% of organizations feel ‘purpose and strategy’ is one of the most clearly defined [components of the employee experience](#), but does this mean they’ve developed a powerful narrative to support it?

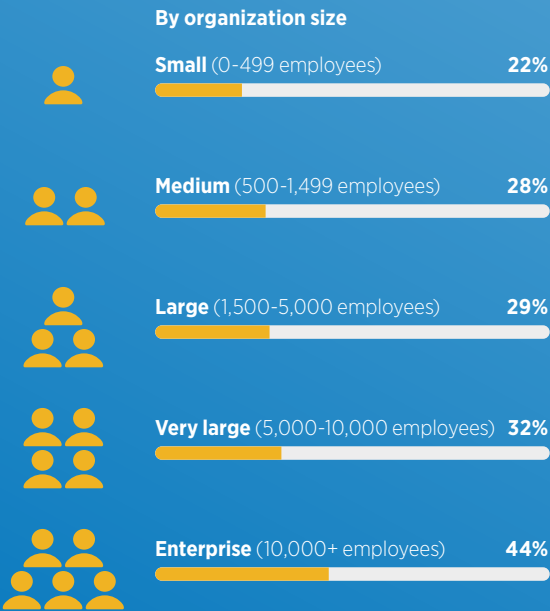
Creating strategic alignment may be reported as one of the main purposes of internal communication, yet less than a third of respondents actually have a strategic narrative in place. We also see vast discrepancies between smaller organizations (22%) who perhaps feel they don’t need it, and enterprise-level organizations (44%) where awareness of the need is much stronger.

A disappointingly small portion of respondents believe their employees understand their strategy, vision and purpose (56%) — lower than last year’s 63%. Meanwhile, 47% feel that employees understand how they contribute to that vision. These results are fairly humbling considering that engaging employees around purpose, strategy and vision is the top priority for most respondents.

How would you rate your employees’ understanding of the following?

	Excellent	Good	Average	Poor
Strategy, vision and purpose	11%	45%	34%	10%
How they contribute to your purpose and strategy	8%	40%	40%	12%

Which of the following documents do you currently have in place?



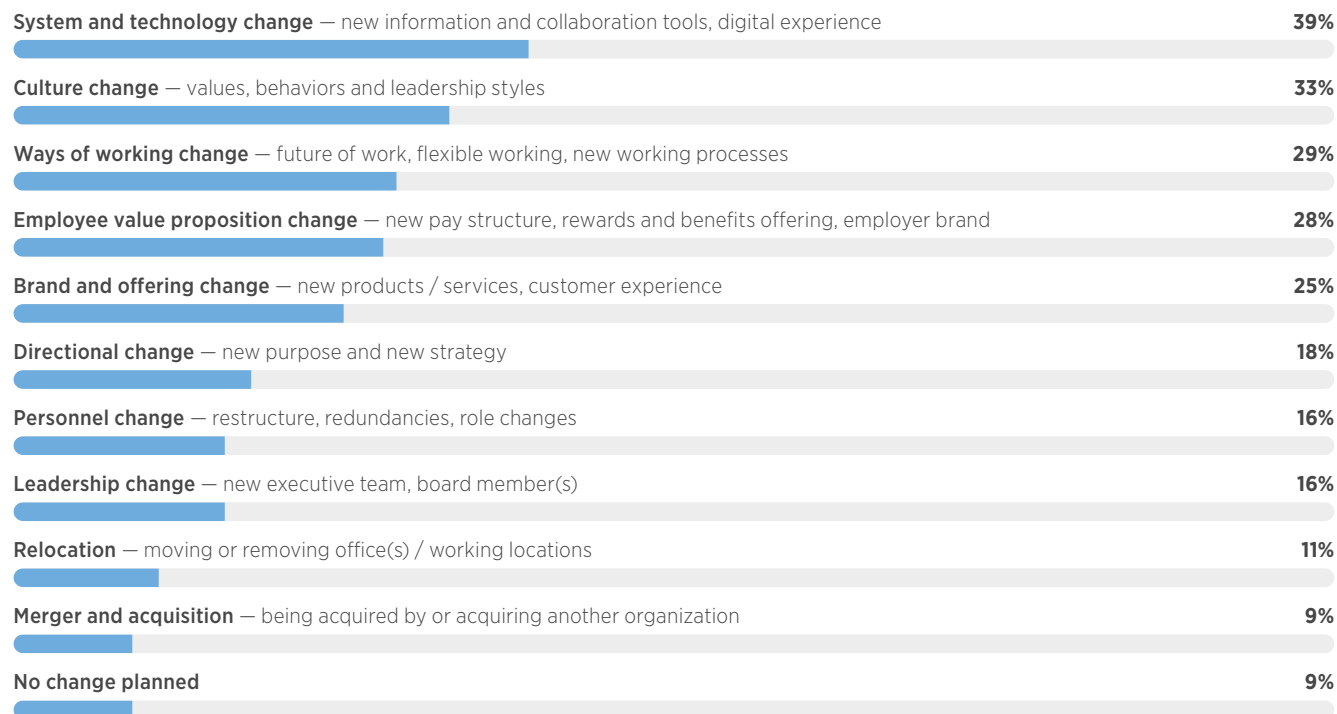
Business transformation

How has 2022 shaped the transformations in progress within organizations?

When asked what changes organizations face, the same three answers have topped the list for the past three years — although interestingly ‘ways of working change’ has seen a dramatic drop from 56% to 29% over the past year. Culture change also continues to drop, although to a much lesser degree (minus 5%). By contrast, ‘system and technology change’ made it to the top of the list even though it hasn’t significantly increased in absolute terms.

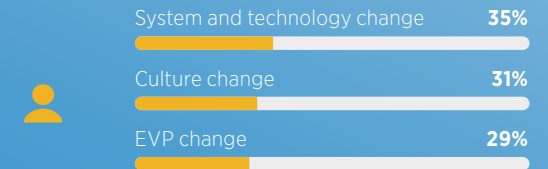
EVP change was a new option this year, receiving votes from just over 1 in 4 respondents, which reinforces the assumption that organizations recognize the need to improve talent retention and attraction by focusing on career wellbeing — yet personnel and leadership change remain low on the list despite the current economic context.

What, if any, change programs does your organization have planned for 2023?

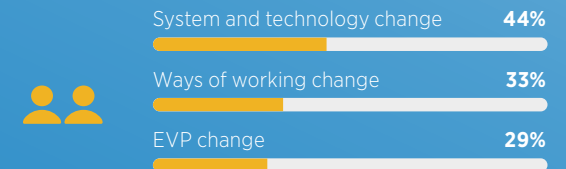


Top 3 changes by organization size

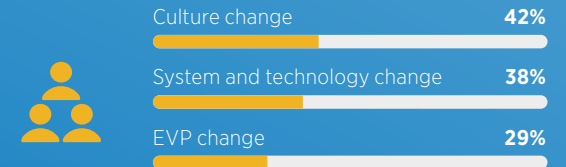
Small (0-499 employees)



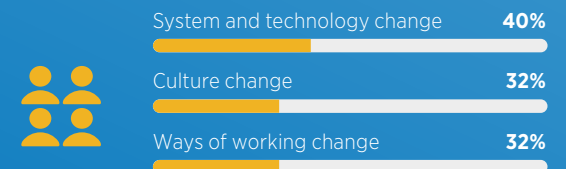
Medium (500-1,499 employees)



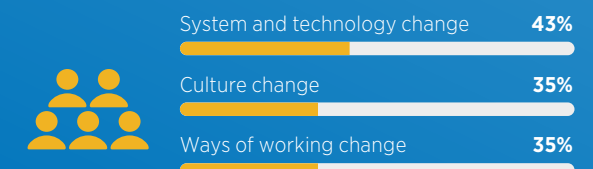
Large (1,500-4,999 employees)



Very large (5,000-9,999 employees)



Enterprise (10,000+ employees)



Implementing change

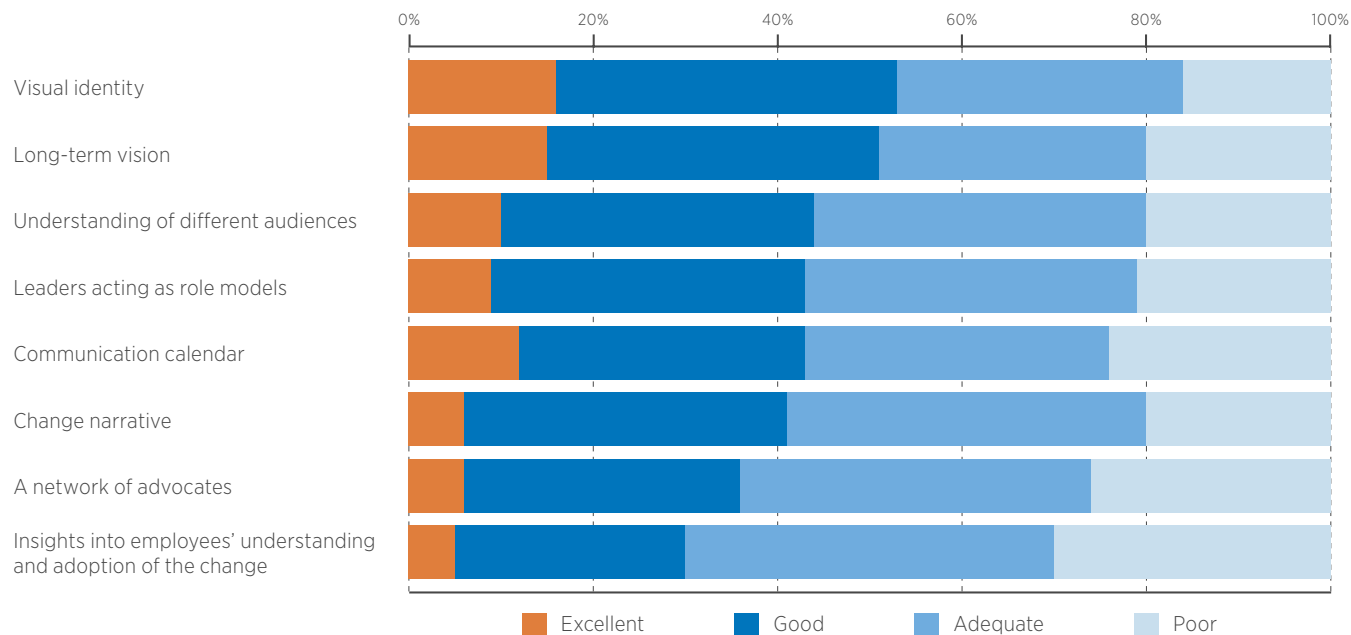
In light of so much change, how well are organizations utilizing communication to manage its impact on employees?

Defining what 'good' looks like when it comes to change communications isn't easy, but there are a few key ingredients that, done well, contribute to a positive change experience for employees — as well as benefiting overall organizational wellbeing. Overall, however, respondents rated their organizations poorly across each of these.

Only two components — visual identity and long-term vision for the change — stood out as being delivered reasonably well with just over 50% positive votes. Having a clear change narrative and a communication calendar scored surprisingly poorly considering their relative simplicity to execute.

What continues to get in the way of change success is a solid understanding of different audiences (44% of positive votes) alongside the impact of communication on audience understanding and behavior (27%), and an organization's ability to rely on a network of advocates to help embed change (36% of positive votes).

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



The Gallagher view

Are we failing to deliver the sense of purpose and meaning that people desperately want at work?

In short ... yes.

Before accepting a job offer, people now ask, “what do you stand for?”. Organizations without a compelling answer will feel the impact. Employees want to align themselves with companies doing the right thing for the planet, society and their communities.

Environmental, social and governance (ESG) as a strategy can deliver competitive advantage in both attracting and retaining talent, yet 36% of respondents say they don't do ANY form of communication in this space. That's a risk.

People want more than just a job. Financial reimbursements alone are taking a back seat while company culture and values become more important — alongside work-life balance and wellbeing. Existing employees are also more likely to stay with a company committed to ESG.

And don't be fooled into thinking they won't do their research. They're well versed in greenwashing and judge employers based on actions, not words — so quick wins won't work. Purpose and meaning needs to be baked into company culture.

Put simply, authenticity is currency for the next generation. Gen Z was born into a world where fighting for social and environmental change is the norm, and they expect the same of their employer. Organizations without purpose will fall behind as top talent chooses organizations who share their world view.

In a future where Gen Zs make up a third of the workforce, social capital is everything. Prioritizing ‘purpose’ as highly as ‘profit’ will not only improve the world around you; it will make you a destination for a generation of talent that values authenticity over everything.



Nick Jones

Head of Creative
Communication Consulting practice

Time to change how we approach change

With so much change on the horizon, many elements of good change communication scored very poorly this year.

That said, we've seen some progress made. In 2018, 43% cited not being involved in strategic business decisions as a barrier, while 35% saw lack of clarity from the top as an obstacle. Both issues suggested internal communication did not have a seat at the table, and came on board too late in the change process. Both have become secondary challenges over the past few years, meaning we can no longer blame poor scores on lack of influence.

When it comes to communicating change, getting the fundamentals right can set an organization up for success. The positive difference made by employees engaged and motivated by an organization's strategic vision for change cannot be underestimated. But it's easy to get lost in the detail.

Start where you have the most influence. A compelling narrative, an in-depth understanding of its impact on different audiences, an engaging visual identity. From there, you can develop a calendar of communication, a set of metrics to track progress, and a strategy to leverage internal influencers.



Michelle Brown

Marketing and Communication Strategy Lead
Communication Consulting practice

Chapter 4

Channels

Is digital driving a better communication experience?

Adjusting the internal communication channel mix to accommodate hybrid working ranked significantly lower this year — with the exception of organizations with 10,000+ employees where it remains a key area of focus.

While the challenges presented by hybrid working may not seem so pressing, organizations still have a way to go when it comes to channel strategy. 'Channels not fit for purpose' was identified as the second to fourth biggest barrier to internal communication success in organizations of 500+ employees, with over a third of respondents expressing dissatisfaction with current channels.

While there are many reasons behind this dissatisfaction, an under-investment in communication technology seems to be a significant contributing factor. In the age of the metaverse and AI, the gap between technology's potential and the reality of the digital experience continues to widen. Maybe it's time to take measure of this gap.

Can we blame it all on bad technology, though?

'Channels not fit for purpose' is the second to fourth biggest barrier to internal communication success



Satisfaction with channels

How satisfied are organizations with the channel mix they use to engage employees in 2023?

Nearly two thirds of respondents were either satisfied or very satisfied with their channels. This may be the majority, yet it doesn't paint a positive picture overall and leaves significant room for improvement.

Small organizations with fewer than 500 employees showed the highest levels of satisfaction, perhaps due to the less complex nature of their organizational structure. Respondents in medium organizations up to 1,499 employees were the most dissatisfied with their channels — they also told us in a separate question that more investment needs to be made in technology.

Overall, how satisfied are you with your current channel mix?

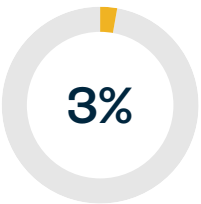
	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Very satisfied	6%	6%	6%	8%	7%	4%
Satisfied	57%	63%	45%	57%	61%	56%
Dissatisfied	32%	27%	42%	32%	27%	37%
Very dissatisfied	5%	5%	8%	3%	6%	3%
Total Very satisfied or Satisfied	63%	69%	51%	65%	68%	60%

Technology investment

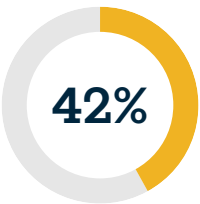
Is there a link between satisfaction with channels and how much organizations invest in communication technology?

When asked about organizational spend on technology, only a very small minority believed their organization had too many channels — a stark contrast to communicators overwhelmed by enterprise social networks, mobile apps and chat tools a decade or so ago. If anything, nearly half of organizations believed current levels of investment in technology were insufficient — and this rose to just over 50% in medium and large organizations.

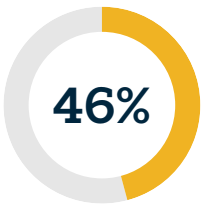
Thinking of communication technology, what do you think of your organization's current investment?



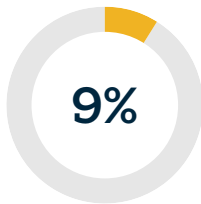
Too high
We are rolling out too many communication platforms



About right
The investment seems to be in line with what's required



Too low
We are not investing enough



I'm not sure

Value of channels

How do organizations rate their channels' ability to support their organizational and communication goals?

For channels to reach employees wherever they work is a basic expectation, yet less than 3 in 4 respondents said this was the case. While organizations with fewer than 500 employees rated their channels higher on this goal (81%), larger organizations were more likely to struggle to reach a portion of their audience.

Continuing this theme, just under 3 in 5 respondents reported a consistent channel experience for all employees. Relatively low scores were also seen in terms of channel performance gathering employee feedback (55%) and empowering them to share their own content (35%) — organization size didn't have a significant impact on either of these results.

How would you rate your communication channels' ability to do the following...

(Total of 'Very good' and 'Quite good')



Can we blame it all on technology?

In the previous question, we saw that 1 in 4 organizations lacks the appropriate channels to reach their people; 45% do not believe they have the right feedback channels in place; and 55% do not have the infrastructure that enables people to share their own content. We can therefore say with confidence that the technical limitations faced by communicators are very real, however we can also consider other factors when interpreting dissatisfaction with channels.

• Channel mess

Only 31% of organizations reported having a channel framework. With no clarity around channel purpose, and limited strategy around each, it is perhaps no surprise that their perceived effectiveness is low. It's also interesting to note that respondents rated effectiveness of their individual channels highly. This suggests that dissatisfaction stems from the struggle to make all channels work together.

• Content quality

Channels are only as good as their content, yet only 33% of respondents reported having a channel-specific editorial calendar. This suggests that content is created on an ad-hoc basis and that little effort is invested in its curation.

• Perception or reality?

With only 63% measuring the reach of their channels and 55% measuring employee satisfaction with internal communication, how much of the reported dissatisfaction is based on actual objective insight rather than subjective and personal perception?



Segmentation

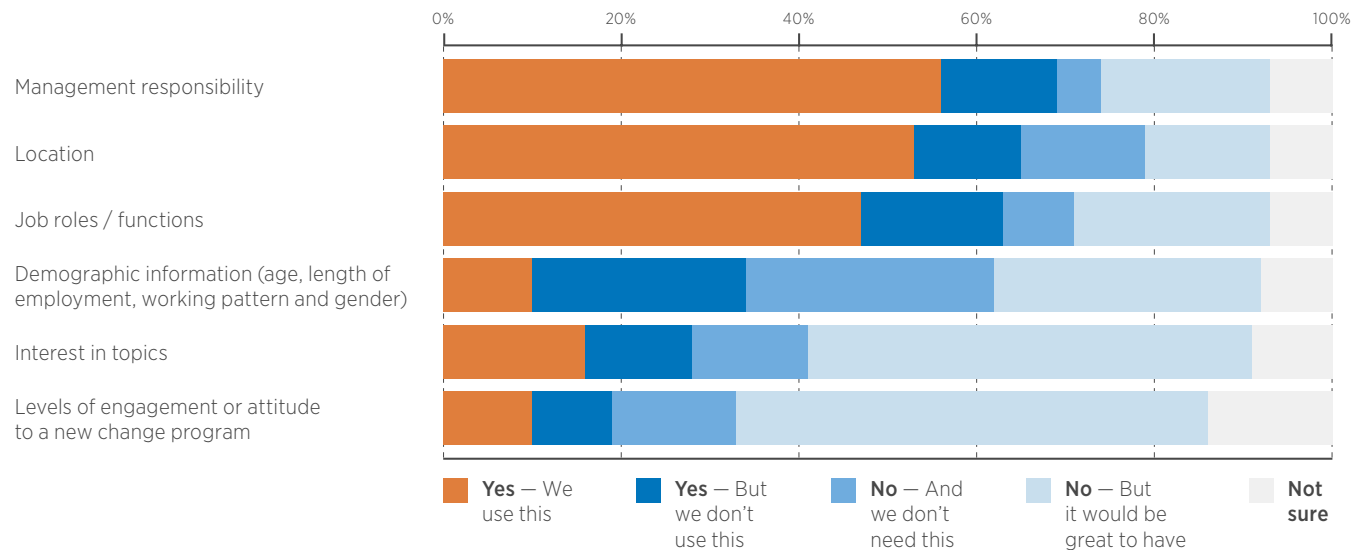
Communication technology promises more and more to deliver the same experience that marketing platforms offer consumers. Has it also helped organizations to increase targeting and segmentation?

Unlike marketers, only 1 in 10 internal communicators use [audience profiles and personas](#) to better understand who they are trying to target and engage — this number increases to 15-21% in larger organizations with more than 5,000 employees.

Overall, we see that segmentation is limited and technology is partially to blame. While around two thirds of respondents say they're able to segment their audience according to management responsibility (69%), location (66%) and job roles or functions (64%), only 47-56% actually use this data. It's no surprise that larger organizations with more than 5,000 employees are better equipped to do this.

Very few organizations capture employee preference when it comes to content or their response to change programs, which makes segmentation based on these criteria unfeasible with current technology but not impossible in the future, as half of respondents recognize the value this would add.

Can you segment your internal communication based on the following criteria?

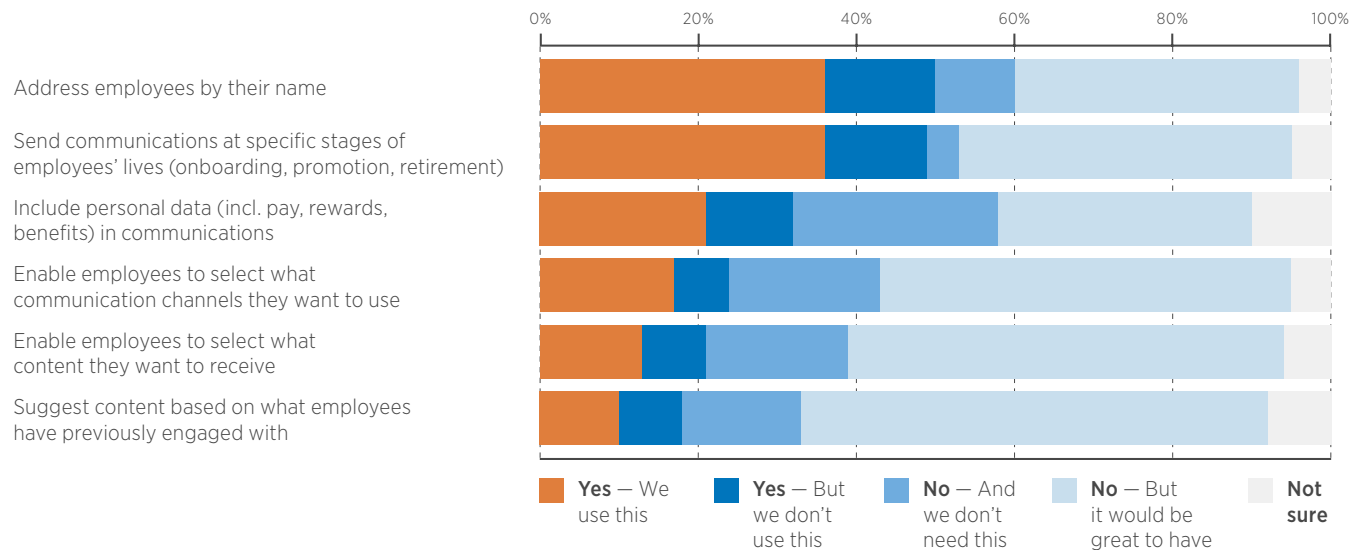


Personalization

The ability to offer personalization is even more limited — this includes addressing employees by name (50%) and sending communications specific to employee age or life event (48%).

We see once again a significant gap between ‘can’ and ‘do’ with only a small minority of organizations enabling employees to select their preferences for channels and content, even though the technology to facilitate this already exists. While very large organizations (10,000+ employees) are more likely to offer this, they are a long way from delivering a great digital experience.

Can you personalize your internal communication in the following ways?





The digital opportunity

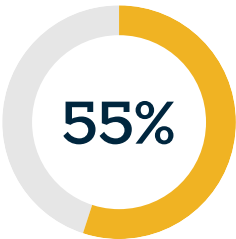
Looking to the future, confidence in emerging technologies was mixed.

Hyper-personalization seemed to earn the most votes despite organizations being a long way off implementing even the most basic segmentation. Artificial intelligence, which is another long-term aspiration, took second place — [only 9% reported having this in 2023](#).

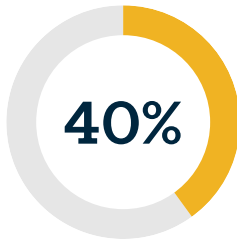
Gamification, the metaverse and augmented reality all featured on the list, but continue to be perceived as a luxury at a time when the brave new digital world has yet to deliver on its promises.

How impactful do you believe the following will be for internal communication in the next five years?

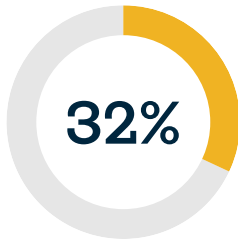
(Total of 'Most impactful' and 'Somewhat impactful')



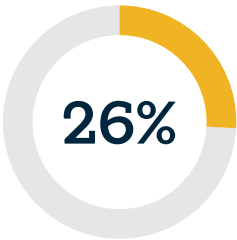
Hyper-personalization



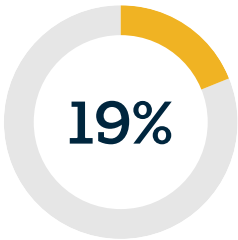
Artificial intelligence (AI)



Gamification



Immersive technology and the metaverse



Augmented reality (AR)

The Gallagher view

Has technology solved the remote working problem?

How we communicate with the remote workforce has come on leaps and bounds.

But now it's no longer the main priority. The traditional bugbears are re-emerging as people choose and use tech — from stronger personalization to improved interactions, if marketing has it, communicators want it. And now companies know how vital tech is, we're finally in a place to start getting it.

A shift in focus from quantity to quality means we're spending more time on channels that add value to the employee experience and dropping those that don't. But are we unlocking the true potential of digital tools?

Over a third of respondents say their channels don't deliver what they need. Almost half aren't investing as much as they'd like. Yet we can still make what we've got work harder for us.

Focus on understanding your existing channels, what they can do and how they can bring the most value. Segmentation will help. Make sure you know how each channel targets smaller groups so you can identify what's not important. It could be as simple as ensuring people only hear what's relevant to them. Or as complex as allowing them to choose how and where they hear it.

Just know you don't have to go 'full e-commerce' for personalization to work. It's okay to begin with the basics.



Drew Munn

Digital Strategy Lead
Communication Consulting practice

How can we form stronger and deeper connections with audiences?

Connection requires understanding. With an increased focus on culture and belonging this year, a rich appreciation of audiences as individuals is critical.

It's a pre-requisite for experiences that connect and resonate. This data-led approach removes the biases and assumptions that are characteristic of a one-size-fits-all approach — and helps us cut through the noise.

When you're competing for attention across crowded channels, a solid understanding of your audience increases relevance. And relevance is a core principle for building trust and connection. If we want our messages to be effective, simple demographic data is not enough. Viewing an audience through a human lens, however, will have a profound impact on your ability to target at an emotional level. Uncovering layers of potential with psychographic data such as attitudes, lifestyles and beliefs will elevate your communications. So, how can you collect this?

Consider quizzes, polls, focus groups, and other insight from behavioral science. With this level of detail, the experiences you create will be incredibly impactful and meaningful — connecting with audiences at a much deeper level.



Vincent Foreman

Behavior and Insights Lead
Communication Consulting practice

Benchmarking your practices



Reporting lines

Who within organizations is responsible for internal communication in 2023?

Corporate communication departments continue to be the primary 'home' for internal communication — and the larger the organization, the more likely it is to fall under its remit. In around 10% of organizations, internal communication sits in a broader Marketing or 'Marcomms' function.

Although HR is the most important stakeholder for internal communicators, just over 1 in 5 respondents said that this is where internal communication sits in their organizations — a proportion that falls to 1 in 6 in Enterprise organizations.

Last year, we found that 40% of internal communicators stated that their collaboration with marketing, PR and corporate communication teams had increased over the past 12 months. Although employee experience requires a break from silo-thinking, only 10% of respondents said that internal communication is a shared responsibility between two departments (usually corporate communication and HR, or corporate communication and marketing).

What department does the internal communication function report into in your organization?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Corporate communication / PR / Corporate Affairs	28%	9%	32%	33%	39%	49%
Human Resources / People / Talent	22%	21%	24%	28%	26%	15%
CEO / Executive Team	15%	21%	13%	10%	10%	10%
There is no dedicated internal communication function	13%	25%	9%	5%	5%	5%
Marketing	10%	8%	11%	15%	12%	8%
It's a 'shared function' between two departments	10%	13%	9%	6%	5%	8%
Operations / Strategy	3%	3%	2%	2%	3%	5%



Budgets

How much do organizations invest in internal communication?

We asked respondents to provide their organization-wide internal communication budgets, excluding platforms (e.g. intranets) and salaries.

The numbers below show the average annual spend on internal communication based on those who provided an answer. It's interesting to note that a significant proportion of respondents (around 25%) indicated that there is no dedicated budget for internal communication in their organizations.

UK-based respondents provided their answers in British pounds, while Canadian respondents shared this information in Canadian dollars. All other participants used the US dollars. No currency conversion was used.

United States

Number of employees	Low spend	High spend
1-499	\$26,500	\$58,800
500-1,499	\$70,650	\$124,000
1,500-4,999	\$123,000	\$170,000
5,000-9,999	\$396,000	\$503,500
10,000+	\$475,000	\$575,000

Canada

Number of employees	Low spend	High spend
1-499	CAD 41,210	CAD 81,900
500-1,499	CAD 36,700	CAD 84,500
1,500-4,999	CAD 300,000	CAD 390,000
5,000-9,999	CAD 393,000	CAD 540,000

United Kingdom

Number of employees	Low spend	High spend
1-499	£17,150	£43,900
500-1,499	£25,550	£55,000
1,500-4,999	£120,000	£165,000
5,000-9,999	£169,000	£245,000
10,000+	£405,500	£485,000

Rest of the world

Number of employees	Low spend	High spend
1-499	\$23,300	\$57,300
500-1,499	\$62,000	\$118,000
1,500-4,999	\$164,000	\$228,000
5,000-9,999	\$192,000	\$225,000
10,000+	\$603,000	\$699,000

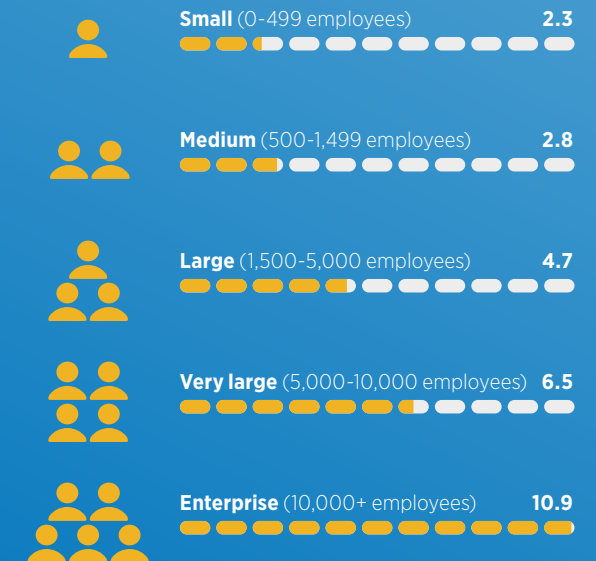


Team size

How many people support and resource internal communication in organizations?

With lack of time and capacity being the number one challenge across organizations of all sizes, we were curious to see if internal teams have reduced in size... and it seems that they haven't. There were limited regional variations to the average team sizes shown below.

How many dedicated internal communicators are there in your organization?



Planning

With so much change and uncertainty to deal with, how realistic is long-term planning?

Most respondents plan their internal communication around a specific campaign and initiatives (60%). Nearly half of respondents have some form of crisis communication plan or process.

A much smaller proportion have a defined internal communication strategy — showing how internal communication should support key business objectives, outside of tactics. It's interesting to note that a third of respondents cited 'developing an internal communication strategy' as one of their top priorities for 2023, so there's clear awareness that this is missing... and maybe a sign that organizations' teams are going back to planning for the long-term after being thrown into chaos at the start of the pandemic!

Over 50%

Over 1/3

Which of the following documents do you currently have in place?

	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Internal communication plan for a specific campaign or initiative	60%	33%	71%	71%	77%	78%
Crisis communication plan or process	48%	36%	48%	61%	55%	54%
Internal communication "master" plan (covering multiple campaigns over the course of the year)	33%	15%	39%	38%	39%	50%
Channel-specific editorial calendar(s)	33%	9%	29%	48%	42%	57%
Channel framework	31%	11%	31%	42%	43%	49%
Overarching internal communication strategy (covering a period of more than one year)	29%	12%	35%	36%	35%	44%
Audience profiles or personas	11%	6%	7%	10%	15%	21%





Measurement

Internal communication measurement is more widespread in larger organizations, which tend to have larger teams and more capacity.

Overall, organizations continue to measure reach (the ability to “get the message across” to the intended audience) and employee understanding (the impact of communications on employees’ understanding of the message) rather than the business outcome or employees’ overall satisfaction with internal communication.

How often do you measure the following? (Total of “Systematically” and “Sometimes”)

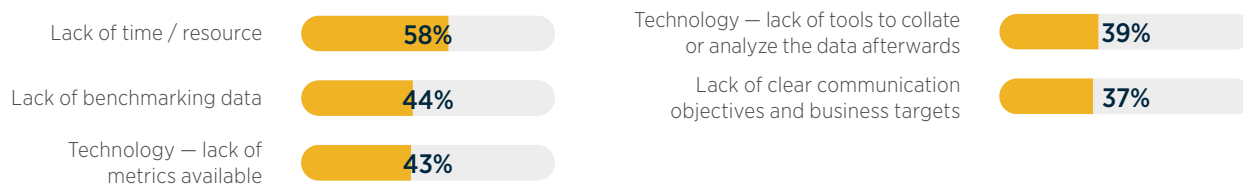
	Overall	By organization size (Number of employees)				
		Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Reach (email statistics, event and web call attendance, intranet and online analytics, etc.)	63%	47%	59%	68%	79%	80%
Employee understanding (surveys, focus groups, etc.)	63%	53%	64%	66%	71%	73%
Behavior change and business outcomes (adoption rates, employee turnover etc.)	53%	53%	53%	53%	49%	55%
Employees’ overall satisfaction with internal communication (audit, surveys, interviews etc.)	55%	52%	50%	59%	56%	61%

The intention behind communication measurement has changed this year, but the barriers to measurement have not.

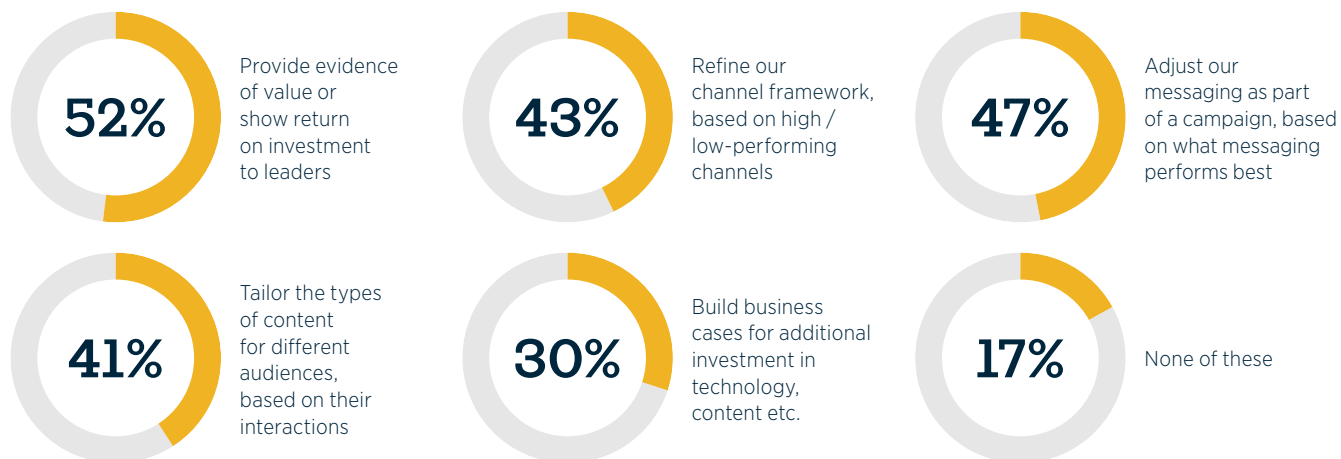
The need to provide evidence of return on investment to leaders was the main objective for communication measurement across organizations of all sizes this year, with 52% of respondents selecting this option overall. Improving campaign messaging, channel experience or content followed as significant yet less important objectives.

Only 30% intend to use communication data to build business cases for more investment — a surprising finding considering that lack of budget came up as a significant challenge this year.

Top 5 barriers



What do you use the data for?



The Gallagher view

Are we measuring what matters?

While 63% of respondents regularly measure communication ‘reach’, knowing employees have simply received a message isn’t enough.

We need to assess the outcomes of employees acting on messages — all the more so given the rise in prominence of culture and belonging, which tells us we should also analyze the difference communications can make to the way employees feel.

In short, the focus needs to shift from outputs to outcomes. This seems to be on the agenda with ‘improving impact measurement and evaluation’ named as the number 4 priority in 2023, but are we using data for the right reasons? With just over half (52%) citing the case for collecting data as proving return on investment to leaders, it begs another question, who is communication for?

Scores for adjusting messaging, refining channel framework and tailoring content all fell well below 50%, so there’s room for improvement when it comes to using data to better meet employee needs. Yet with so many competing influences on organizational wellbeing, it’s time-consuming to isolate then measure the impact of internal communication. What’s more, 58% told us that lack of time (and resource) is their biggest challenge.

So, we don’t have time to measure, but poor measurement is holding us back. It seems like a vicious cycle, but it doesn’t have to be this way. When it comes to measuring the value of internal communication, a quick and dirty approach is better than none. Imperfect measurement is still a starting point, and the best time to start is now.



Amanda Sheps

Principal
Communication Consulting practice

Broadcast channels

As the boundaries between digital, print and face-to-face continue to blur, we've grouped internal communication channels into three groups based on what they empower employers to do: share corporate messages (broadcast channels), drive collaborative working and networking (collaboration and interpersonal channels) or enable people to find the information they need (self-serve channels).

Three broadcast channels are used by two thirds of respondents: email announcements (94%), all-employee conferences (76%) and e-newsletters (65%); three are used by more than half: conferences for people managers, video (which sees a slight decrease surprisingly), and all-employee conference calls. Overall satisfaction with broadcast channels is very high.

Over 2/3

Over 50%

	Use	Effectiveness	Use by organization size (Number of employees)				
			Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Email announcements	94%	71%	93%	92%	96%	91%	96%
Face-to-face or virtual conferences / town halls (all employees)	76%	88%	69%	75%	84%	71%	83%
E-newsletters	65%	65%	47%	68%	75%	74%	81%
Face-to-face or virtual conferences / town halls (senior leaders and/or people managers only)	60%	88%	46%	59%	70%	68%	73%
Video	52%	69%	22%	53%	74%	71%	75%
Web Conference calls (all employees)	51%	81%	47%	55%	51%	54%	54%
Web Conference calls (senior leaders and/or people managers only)	46%	82%	36%	46%	44%	54%	57%
Environmental channels (posters, banners, noticeboards)	45%	47%	32%	47%	55%	57%	49%
Digital signage	42%	48%	24%	40%	57%	50%	58%
Letters / printed materials sent to employees' homes	22%	57%	18%	22%	21%	30%	24%
Text messages	17%	76%	20%	15%	17%	14%	15%
Employee magazine (print or digital)	16%	57%	6%	16%	22%	27%	21%

Effectiveness refers to respondents rating these channels as either 'very effective' or 'quite effective'.

Collaboration and interpersonal channels

Collaboration and interpersonal channels tend to rate a lot higher in terms of performance — all of them have more than two thirds of positive votes, except for enterprise social networks.

However, their usage is more limited, especially in organizations with fewer than 1,500 who tend to use a limited set of simple channels.

Employee resource groups, employee forums and enterprise social networks tend to be used more by larger organizations. The proportion of organizations using enterprise social networks in organizations with over 5,000 employees have remained stable — so although the overall use (32%) seems to have decreased from last year (39%) this is merely due to higher participation from smaller organizations in this year's survey.

Over 2/3

Over 50%

			Use by organization size (Number of employees)				
	Use	Effectiveness	Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Team meetings run by people managers	80%	79%	78%	80%	77%	85%	82%
Enterprise chat tools (Microsoft Teams, Cisco Jabber, etc.)	70%	86%	53%	70%	82%	79%	82%
One-to-ones run by people managers	66%	80%	58%	68%	76%	73%	67%
Informal get-togethers and social events (in person or virtual)	64%	84%	64%	61%	65%	59%	66%
Knowledge-sharing / lunch and learn sessions	49%	79%	40%	49%	50%	47%	63%
Employee resource groups / topic-based committees	43%	73%	25%	42%	45%	57%	63%
Employee or staff forum / work councils	33%	71%	22%	30%	33%	43%	47%
Enterprise social networks (Workplace from Meta, Yammer, etc.)	32%	58%	13%	29%	39%	49%	52%
Ambassadors / communications champions	27%	68%	13%	26%	32%	33%	42%
Online peer-to-peer recognition platforms	26%	76%	16%	25%	32%	22%	41%
Messaging apps (text, WhatsApp, etc.)	20%	75%	20%	19%	14%	20%	25%
Extranet	8%	56%	7%	7%	6%	3%	12%

Effectiveness refers to respondents rating these channels as either 'very effective' or 'quite effective'.

Self-serve channels

Intranets and employee portals are the most commonly used “self-serve” channels, even more prevalent in organizations with 500+ people.

Levels of satisfaction with intranets are relatively low (58%) — and indeed when asked to rate functionalities in a [separate question](#), respondents were quite critical of analytics, integration with other systems and social functionalities.

Surprisingly, the use of employee mobile apps has decreased slightly from 31% to 25% last year — and its usage is not linked to organization size, all five groups showing a fairly consistent use of this channel. It’s interesting to note that 55% of those who use an app have more than one: 28% said they have two, 14% have three... and an impressive 13% say they have even more! Employee apps get the highest score when it comes to effectiveness.

Over 2/3

Over 50%

			Use by organization size (Number of employees)				
	Use	Effectiveness	Small (1-499)	Medium (500-1,499)	Large (1,500-5,000)	Very large (5,000-10,000)	Enterprise (10,000+)
Intranet	75%	58%	55%	81%	86%	88%	90%
Employee portal(s) e.g. for benefits, wellbeing, learning and development	70%	66%	59%	72%	74%	75%	81%
Employee communication app(s)	25%	72%	28%	21%	21%	25%	28%
Podcasts	13%	38%	6%	8%	14%	14%	25%
Artificial intelligence (AI) e.g. chatbots, etc.	9%	53%	2%	8%	8%	9%	23%
Extranet	8%	56%	7%	7%	6%	3%	12%

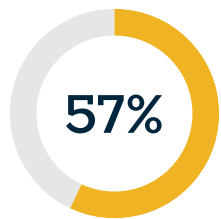
Effectiveness refers to respondents rating these channels as either ‘very effective’ or ‘quite effective’.



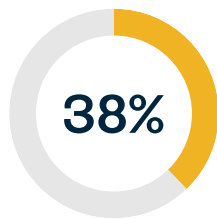
Intranets

Asked to rate the functionalities of their intranets, respondents were more likely to rate positively the component that they control: the quality of content. By contrast, they were very critical of technical functionalities.

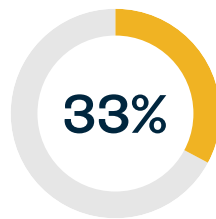
How would you rate your intranet on the following aspects?



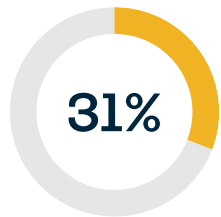
Quality of content



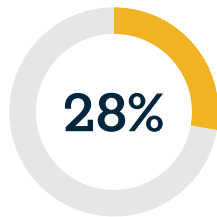
Design and navigation



Social functionalities (liking and commenting, communities, surveys)



Integration with our other platforms and systems



Analytics

Employee apps

The primary objective of organizations rolling out an employee mobile app is to share corporate information rather than enable them to access HR information (e.g. pay slips, benefits and discounts) or perform a specific task (e.g. manage their shifts or report an incident).

What is the purpose of your employee mobile app(s)?



Conclusion



What does world-class internal communication look like?

As you've seen from this report, the landscape of our profession is changing rapidly — along with our role and purpose.

There are so many more things that internal communicators need to look at these days, and it's a challenge to tackle everything — but it's always useful to remind ourselves of what we should be aspiring for.

Here's our North Star...

- 1 Have a defined purpose and strategy** — and make sure you're clear on this. Think about how your function supports your organization, what it's there for and what your value proposition to business leaders is.
- 2 Construct a clear narrative.** This will not only ensure that every single communication you output is clearly aligned, it'll help you to make best use of your budget and support your strategic narrative too.
- 3** Remember, it's YOU that drives change, not the platform(s) on which you share your ideas. So **manage your channels effectively** — make sure they are fit for purpose and review them regularly.
- 4** The core purpose of any internal communication team is to support its leaders to become ace communicators, so **build a robust communication capability** that helps them maximize employee buy-in.
- 5 Promote open dialogue and collaboration** with a focus on listening. Your ability to keep your finger on the pulse and see things through a human lens is what will keep that employee voice at the top table — don't lose sight of this!
- 6** Being able to demonstrate your value is key to building your influence where it counts. So **focus on insight, measurement, and evaluation** to prove your concept by concentrating on impact.
- 7** Become the experts that people go to when it comes to driving new behaviors. This is all about your ability to **influence change and transformation** — so work with those in the know to keep things people-focused.
- 8** As a communicator, you have an opportunity to shape your organization's EX and change the way people feel about work. So **champion the importance of your people's wellbeing** — physical, emotional, career and financial — which fosters a better company culture and overall organizational wellbeing.
- 9** There's nothing wrong with wanting a seat at the table when the decisions are made — it's the end game, after all. So **become a trusted adviser** and make your presence felt where it counts.

The influencers of employee experience



Office locations



United Kingdom

Munitions House
Ordnance Business Park
Midhurst Road
Liphook
GU30 7ZA

The Walbrook Building
25 Walbrook
London
EC4N 8AF

Phoenix Court
Jacobs Well Lane
Wakefield
WF1 3NT



United States

1050 Crown Pointe Parkway
Suite 600
Atlanta
GA 30338

2850 Golf Road
Rolling Meadows
IL 60008

720 SW Washington St #710
Portland
OR 97205



Canada

1052 Yonge Street
Toronto
Ontario M4W 2L1



Australia

Level 4
289 Wellington Parade South
Melbourne
Victoria 3002



Contact

SayHello_Exp@ajg.com

Better. It's something many companies strive for.

People are your organization's greatest asset. But when their daily lives are impacted by major struggles like a global pandemic, economic strife and geopolitical risks, hardship can take its toll—both on your people and your business.

As employees across all geographies, industries and employer types navigate the ever-changing world, organizations must critically evaluate their people experience—finding unique ways to engage teams, establish authentic connections and support employee wellbeing overall.

Making an intentional connection between your people's wellbeing and your organization's performance is imperative for optimal results. When your people are all in, your business can attract top talent, motivate employees and shift the organizational culture—helping employees to feel differently about their work. As a result, organizations can reduce burnout and increase productivity among their people, and business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better WorksSM—a comprehensive approach for strategically investing in benefits, compensation, retirement and employee communication so you can support the health, financial security and career growth of your people at the right cost structures.

From evaluating the demographics of your workforce, to surveying and analyzing competitor trends, Gallagher offers you data-driven insights—allowing you to make the most of your investment in talent, deliver a better people experience and reduce organizational risk. Even in times of uncertainty, we're here to help you optimize your profitability with a strategy rooted in the wellbeing of your people.

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- Strategy, vision and values
- Diversity, equity and inclusion
- New ways of working
- Digital transformation
- Employee value proposition



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