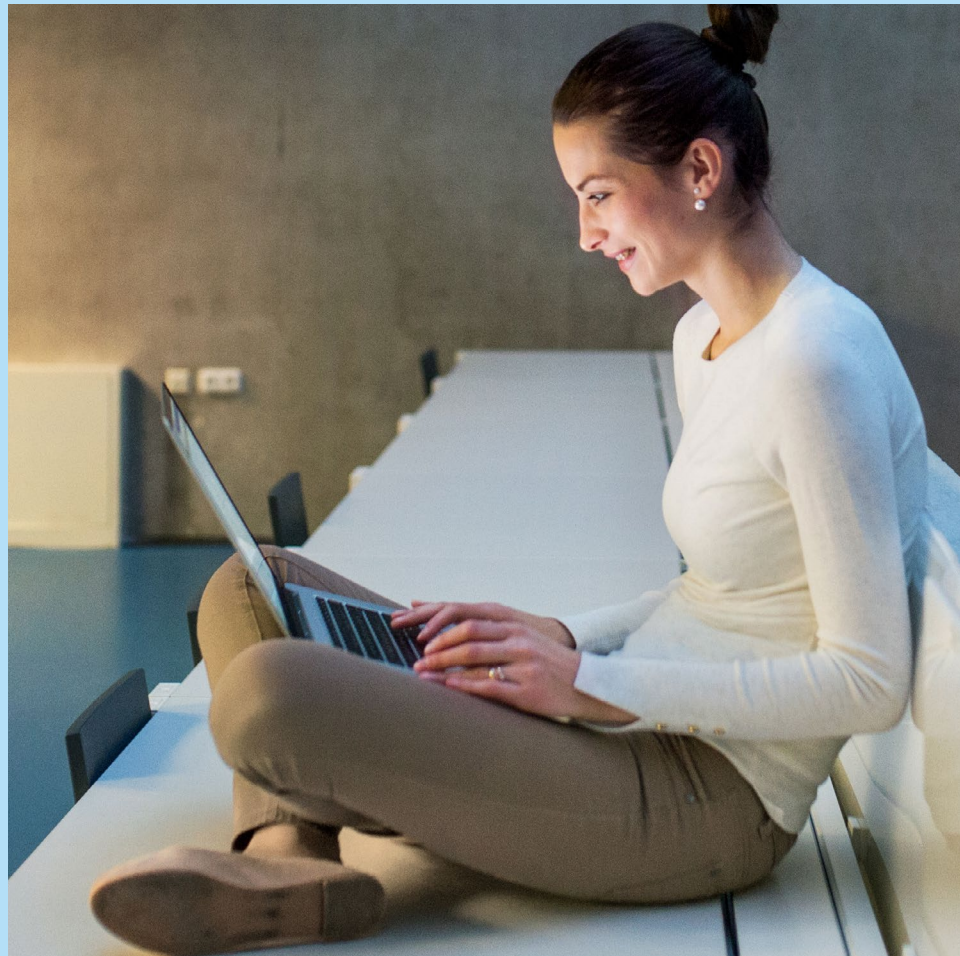SIMPPLR

State of Internal Communications 2024

Introduction

**Meet
the experts**

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Constant change may be the new steady state for Internal Communication teams. Shifts in workplace technology, work models, and an increased focus on employee engagement have required organizations to significantly up their internal comms game. Internal Communication teams must continually pulse-check the effectiveness of their tools and strategies to solidify their seat at the leadership table — influence they need to nimbly adjust to shifting global workplace paradigms, the addition of artificial intelligence (AI) and more.
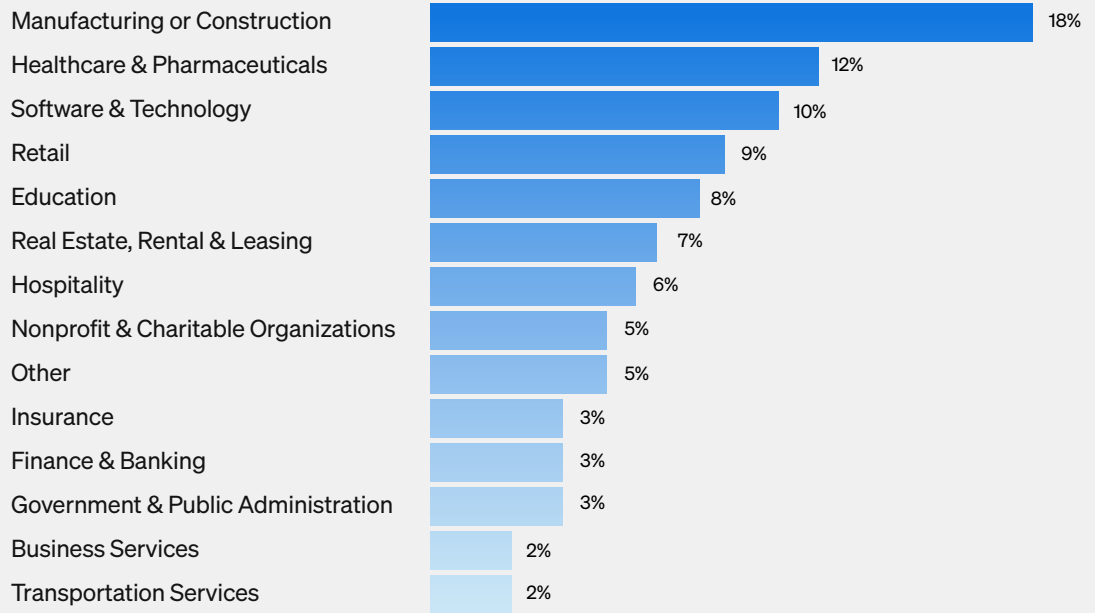
The most forward-thinking IC teams are taking a fresh look at the whole lifecycle of information — from how it's created and shared to how employees receive it. And they are leveraging executive support to amplify critical messaging. This re-evaluation not only focuses on improving the way information flows within the organization but also prioritizes understanding and catering to employees' capacity and needs.
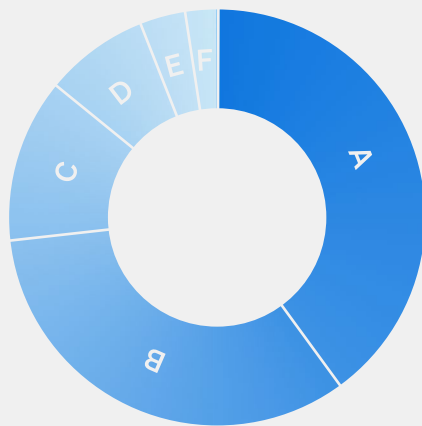
In our fifth Simpplr State of Internal Communications Report, the Simpplr Research Team captured learnings to help IC leaders and teams continue to deliver their best work, do more with less, and reach the right people through the right channels with the right information at the right time. The data we gathered reveals significant insights into what has happened in the IC industry over the past year, the barriers and challenges that teams face, tools and drivers of excellent comms performance, the KPIs that matter, and attributes that predict great performance in IC.

We surveyed senior IC professionals spanning various industries, from manufacturing to retail and everything in between. Our respondents were primarily U.S.-based and represent a mix of organizations employing anywhere from 250 to over 10,000 people.
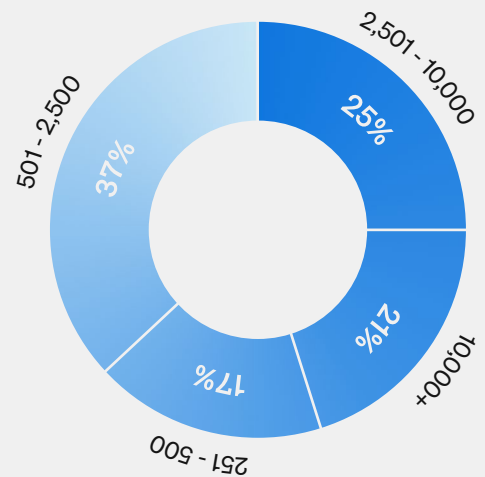
Industry

Manufacturing or Construction	18%
Healthcare & Pharmaceuticals	12%
Software & Technology	10%
Retail	9%
Education	8%
Real Estate, Rental & Leasing	7%
Hospitality	6%
Nonprofit & Charitable Organizations	5%
Other	5%
Insurance	3%
Finance & Banking	3%
Government & Public Administration	3%
Business Services	2%
Transportation Services	2%

Function

A   Human Resources   D   Marketing
B   Operations   E   External Comms
C   Internal Comms   F   EX

Company size

2,501 - 10,000   25%
10,000+   21%
251 - 500   17%
501 - 2,500   37%

1. Connect internal communications with organizational outcomes

43%
of HE teams got more budget
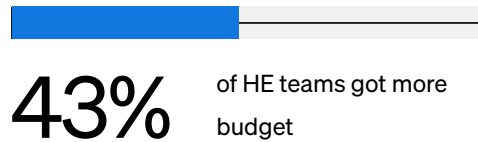
Many Internal Communication teams are seeing tightening budgets to support and enhance their internal strategy and drive innovation, with only 35% of total respondents indicating their IC budget has increased over the past year. Other organizations have decreased budgets and downplayed the importance of comms. Notably, highly effective (HE)
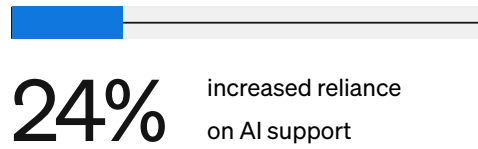
teams drove the largest segment of budget increases (43%). Only 10% of less effective (LE) teams report an increased budget. The varying perceptions of IC as a strategic advantage highlight the critical need to demonstrate a direct connection between communications and tangible outcomes. To gain more buy-in and budget, IC teams must continue to elevate themselves from being labeled as mere "nice-to-haves" and establish their ability to increase revenue, retention and productivity.

Budget trends — changes in budget allocation by effectiveness

	Increased	Stayed the same	Decreased	I don't know
Total responses	35%	49%	7%	9%
HE teams	43%	46%	3%	7%
LE teams	10%	55%	15%	20%
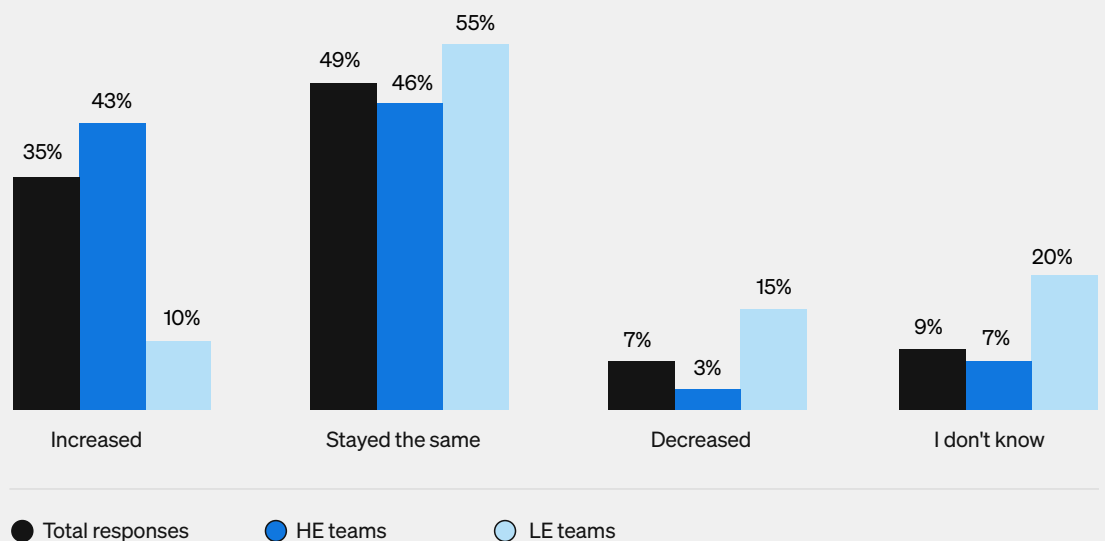
● Total responses ● HE teams ○ LE teams

2. Invest in enhanced tools that increase productivity

24% increased reliance on AI support

Are IC teams growing or shrinking? The nuanced answer is that while headcount is static or shrinking, the demand in volume and complexity is growing. For those teams that are static or shrinking, investing in enhanced tools that increase productivity has become imperative. One-quarter of teams that anticipate a cut in staffing indicate the decrease is a direct result of additional AI support/functionality as opposed to budget cuts.
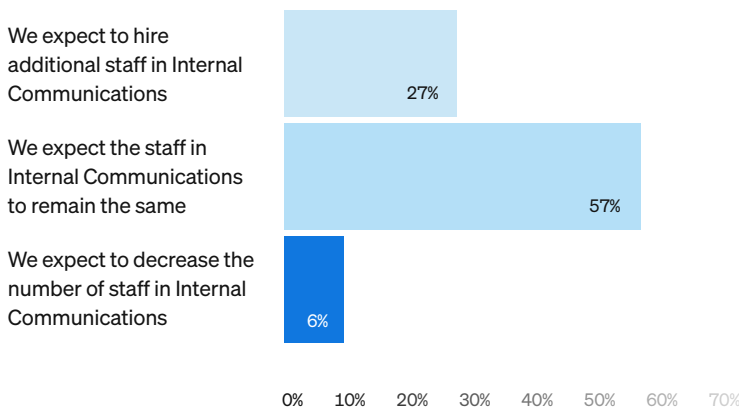
? **Which of the following describes the hiring in your department for the upcoming year?**
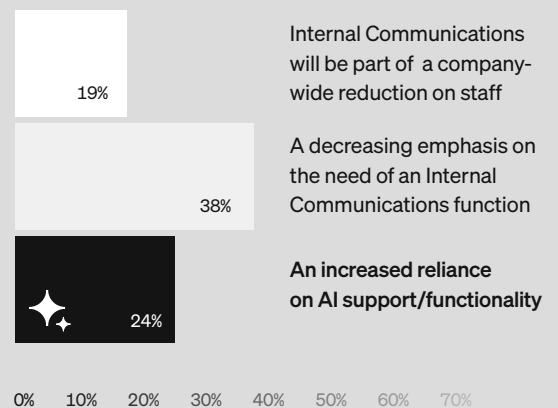
? **Why do you expect to decrease the number of staff in Internal Communication in the upcoming year?**

Anticipated hiring plans

We expect to hire additional staff in Internal Communications — 27%

We expect the staff in Internal Communications to remain the same — 57%

We expect to decrease the number of staff in Internal Communications — 6%

0% 10% 20% 30% 40% 50% 60% 70%

Reasons for expected decrease

Internal Communications will be part of a company-wide reduction on staff — 19%

A decreasing emphasis on the need of an Internal Communications function — 38%

An increased reliance on AI support/functionality — 24%

0% 10% 20% 30% 40% 50% 60% 70%

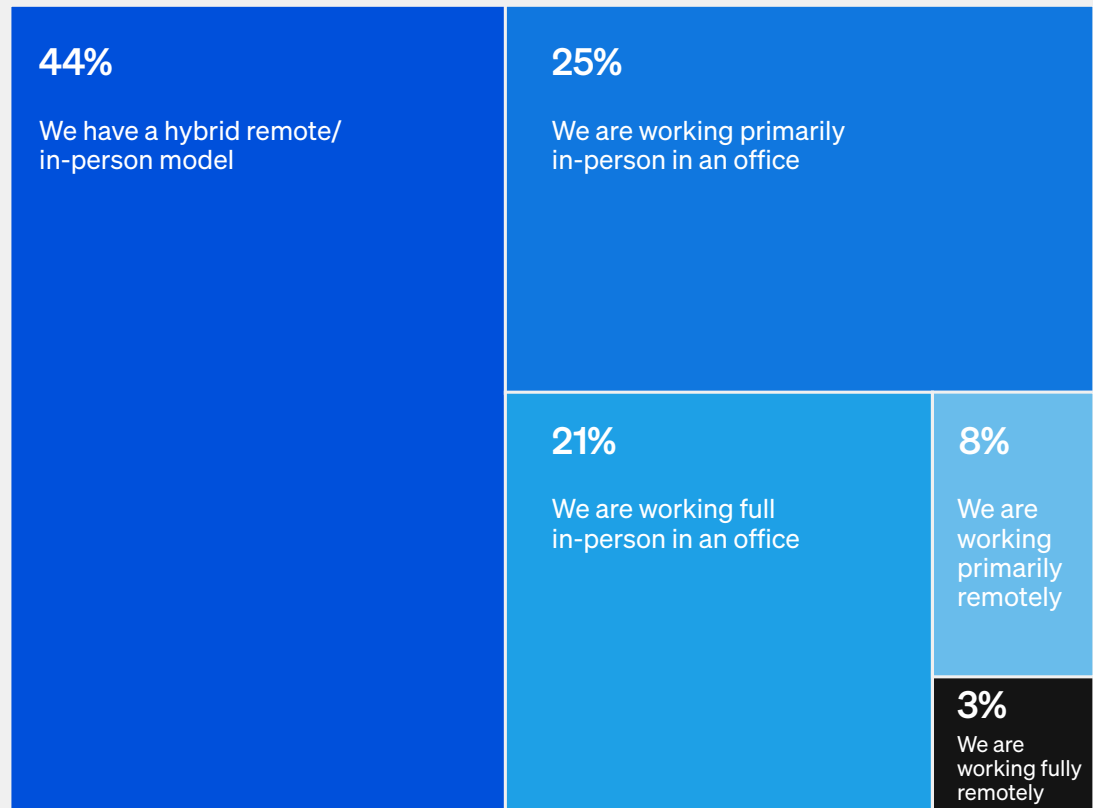# 3. Shift back to the office (with more budget)
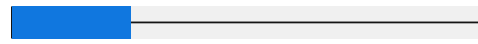
25% less hybrid work

One of the biggest shifts in the world of IC is employees' move back to in-office work.While a hybrid model is still the largest individual segment reported, it is now on parwith those who describe their work as primarily or fully in-person. The data also shows that teams who are primarily in-person got budget increases significantly more often than remote teams. And in-person teams were significantly more likely to rate themselves highly effective (HE).

? **What best describes your organization's work model currently?**

44%
We have a hybrid remote/ in-person model

25%
We are working primarily in-person in an office

21%
We are working full in-person in an office

8%
We are working primarily remotely

3%
We are working fully remotely

4. Align IC with the right department

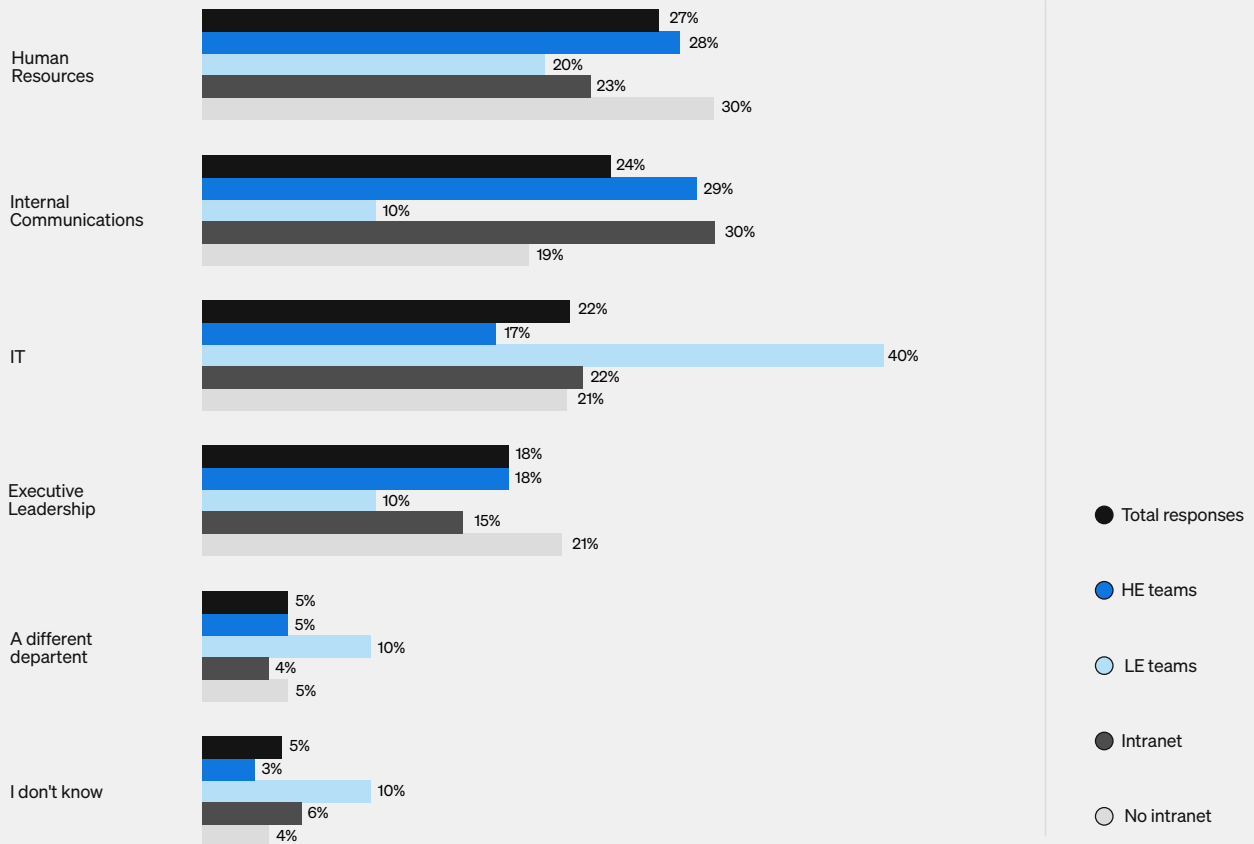**40%** of budget held by IT for LE teams
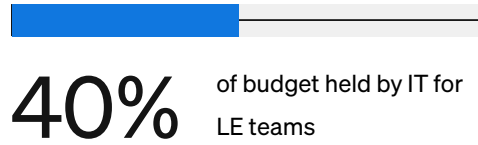
The top three departments where IC teams sit are HR, Internal Communication and IT. Significantly more HE teams report that their IC budget is held by HR or a

standalone IC department, while a high percentage of LE teams are controlled by IT. If IT is in charge of internal communications, the IC department themselves are more likely to rate their efforts as less effective. When the budget is held by knowledgeable decision-makers who are highly connected to the goals of IC, the entire department is more

? **Please think about the budget for purchase or maintenance of internal communication tools, services, or software. Which department holds this Internal Communication budget in your organization?**

Human Resources
- 27%
- 28%
- 20%
- 23%
- 30%

Internal Communications
- 24%
- 29%
- 10%
- 30%
- 19%

IT
- 22%
- 17%
- 40%
- 22%
- 21%

Executive Leadership
- 18%
- 18%
- 10%
- 15%
- 21%

A different departent
- 5%
- 5%
- 10%
- 4%
- 5%

I don't know
- 5%
- 3%
- 10%
- 6%
- 4%

Legend:
- ● Total responses
- ● HE teams
- ○ LE teams
- ● Intranet
- ○ No intranet

5. Leadership support remains critical

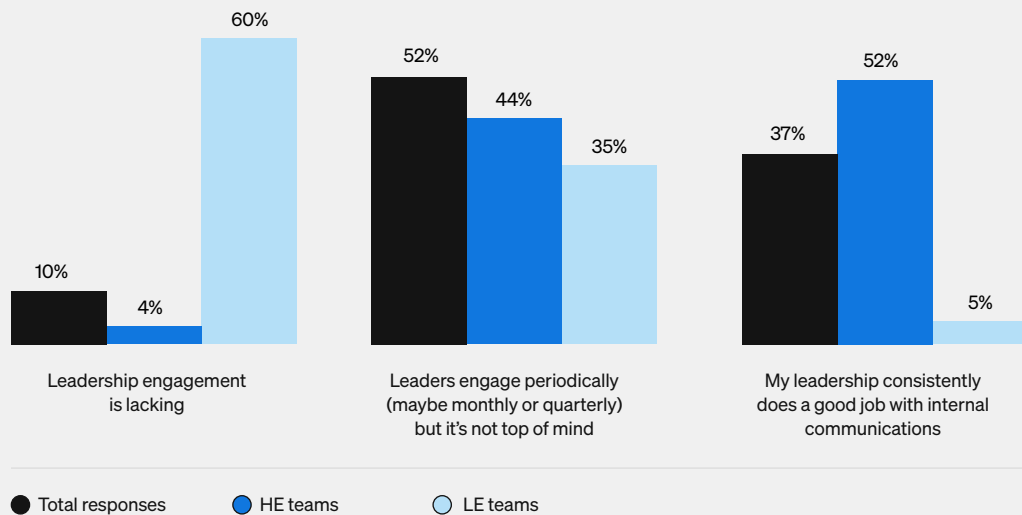# 60% of LE teams lack leadership engagement

There is a huge difference in how leadership engages among HE vs. LE teams — significantly more HE teams report their leadership consistently positively collaborates with IC, while LE teams are significantly more likely to report that their leadership engagement is low. It is clear that leadership engagement is key to the perceived quality of an organization's internal communications. Teams that want to increase the efficacy of their communications efforts should seek to work very closely with leadership teams across the focus of their communications topic areas.
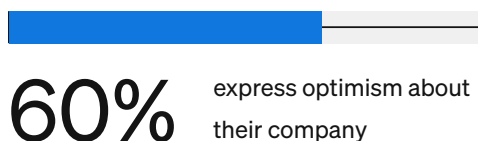
? How engaged are your organization's executives in internal communications?

Leadership engagement is lacking: Total responses 10%, HE teams 4%, LE teams 60%

Leaders engage periodically (maybe monthly or quarterly) but it's not top of mind: Total responses 52%, HE teams 44%, LE teams 35%

My leadership consistently does a good job with internal communications: Total responses 37%, HE teams 52%, LE teams 5%

● Total responses   ● HE teams   ○ LE teams

6. Optimism is rebounding (and a high-quality intranet helps)
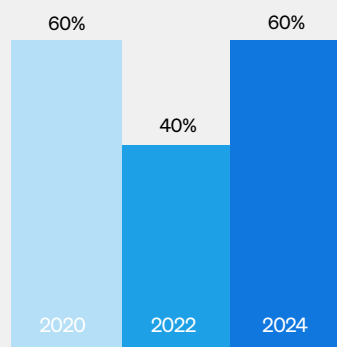
60% express optimism about their company

Optimism about the company IC teams work for is back to 2020 levels after taking a major dip in 2022, with HE teams significantly higher on that stat

than LE teams. When evaluating this data against the investment in a high-quality intranet platform, we found that those with an intranet platform are significantly more optimistic about their company compared to those without one. IC teams see a modern digital HQ with advanced comms functionality as a definite reason to be more optimistic.
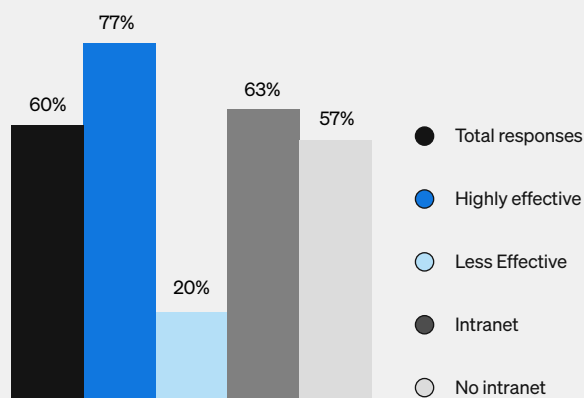
? **How would you rate the current state of your optimism about your company?**
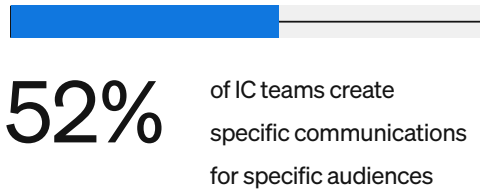
My optimism about the company

- 2020: 60%
- 2022: 40%
- 2024: 60%

My optimism about the company

- 60%
- 77%
- 20%
- 63%
- 57%

- ● Total responses
- ● Highly effective
- ○ Less Effective
- ● Intranet
- ○ No intranet

KEY FINDINGS:

7. Personalization and targeting are key indicators of effectiveness

52% of IC teams create specific communications for specific audiences

When we look at HE teams, we see that they are more likely to deliver custom content tailored to employees' roles, workstreams and preferred channels.

Respondents are fairly evenly split between targeting IC efforts to specific audiences and treating the audience as a single, uniform group. While less than half of respondents report having an intranet system, among those who do target their communications, 52% maximize targeting by creating specific comms for specific audiences. Those with an intranet are significantly more likely to target in this way.

? **Which of the following best describes the audiences for your IC efforts?**

52% 48%
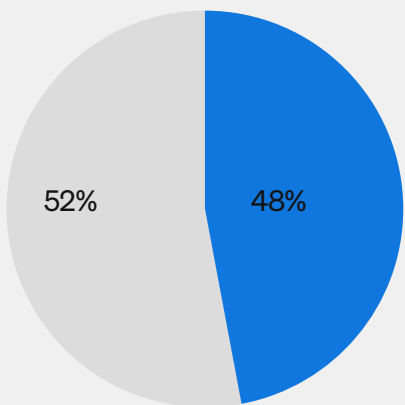
○ We consider everyone as one uniform target audience.

● We have mulKEY FINDINGSle target audiences we try to reach with unique IC efforts.

? **How do you communicate with your mulKEY FINDINGSle target audiences?**

52% 40% 8%
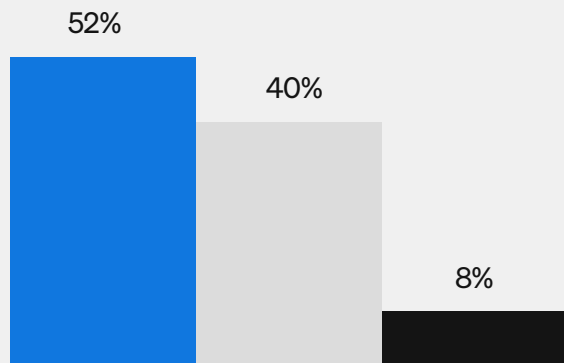
● We create specific communications for specific audiences.

○ Everyone receives all communications, but we try to arrange content by audience

● Everyone receives all communications and we don't make any adjustments to content or layout to reach different audiences.

KEY FINDINGS:

8. IC charter and goals a must to gain buy-in

40% of IC teams don't have a clearly stated charter or measurable goals
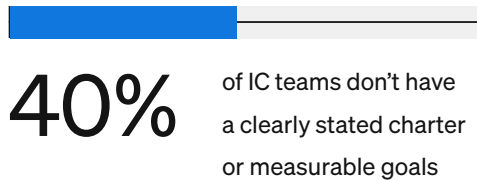
Internal communication can significantly impact HR metrics like employee engagement, retention, DEI, the ability to attract talent, and business revenue. Yet attributes related to how much support the IC function receives in the organization lag significantly. This gap suggests that, though IC has the potential to broadly influence organizational success, IC teams constantly have to do more with less. Yet IC teams shoulder some accountability for the less highly rated measures. While 30% of teams indicate that their organization does not value the importance of IC, a full 40% report that their team does not have a clearly stated charter and measurable goals. Though HE teams rate having a clearly stated charter and measurable goals higher than LE teams, it's essential for every IC team to adopt this approach to stay an effective piece in the organization's strategy puzzle.

? **Thinking generally about internal communications, how much do you agree with the following?**

Can strongly impact employee engagement	89%
Can strongly impact employee retention	86%
Can positively impact diversity and inclusion	84%
Impacts our culture and ability to attract talent	79%
Can strongly impact business revenue	75%
Our management understands the importance of IC	74%
Our organization clearly values the importance of IC	70%
Our IC team is adequately staffed to meet our organization's needs	60%
Our IC function has a clearly stated charter and measurable goals	60%

9. What's measured gets improved (or not)

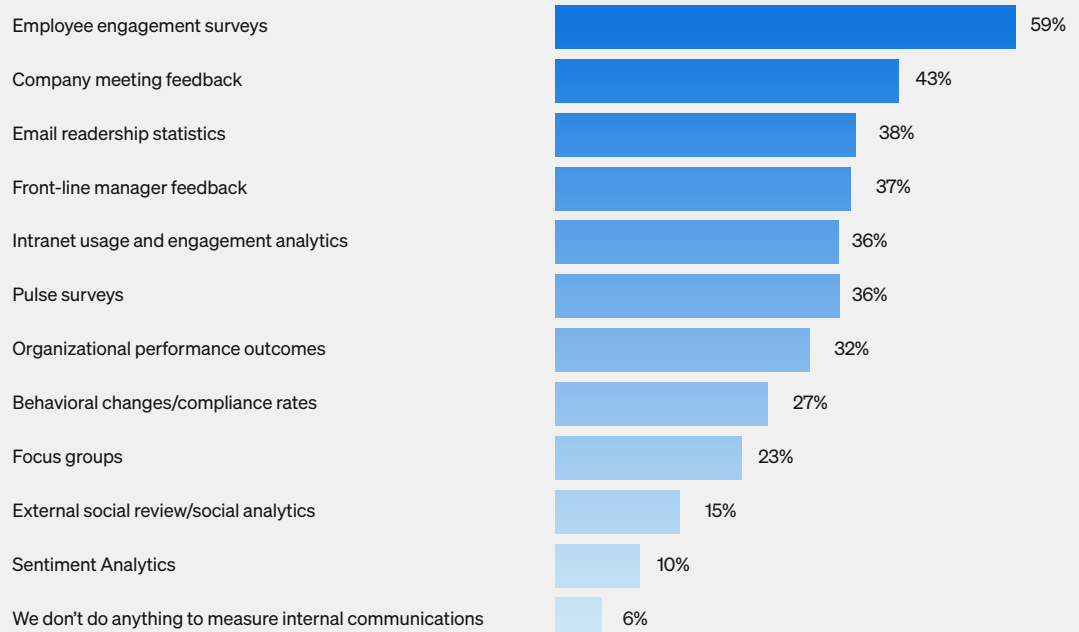**59%** of IC teams still use employee engagement surveys to measure effectiveness
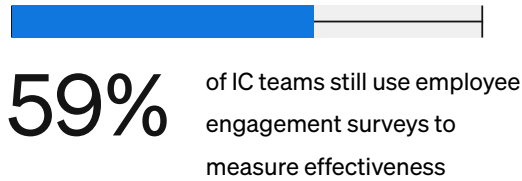
It is encouraging to see only 6% of respondents reporting that they do not measure internal comms performance at all (slightly better than last year's 10%). Though since 48% of all respondents have an intranet, it is dismaying to see that only 36% use intranet analytics as a measurement tool — reflecting a potential gap in their current platform capabilities, or a lack of focus on accountability. This data suggests that there is a wide population, up to one in five IC operators, who deploy comms and content with absolutely no idea whether it reaches the right people or has the right impact (or any impact at all).

? **Which of the following do you use to measure your internal communications? Please select all that apply.**

|	
Employee engagement surveys	59%
Company meeting feedback	43%
Email readership statistics	38%
Front-line manager feedback	37%
Intranet usage and engagement analytics	36%
Pulse surveys	36%
Organizational performance outcomes	32%
Behavioral changes/compliance rates	27%
Focus groups	23%
External social review/social analytics	15%
Sentiment Analytics	10%
We don't do anything to measure internal communications	6%

Recommendations

As shifting needs and expectations remain a constant, now is the time to use tools and tactics that deliver internal communications with real, measurable impact.

Key actions for IC teams:

↘ Focus on and measure top performance drivers including leadership engagement, employee experience, personalization, targeting, and varied distribution channels and content formats.

↘ Lean into the strategic advantage of IC to gain buy-in and budget by measuring and reporting the effectiveness of your team's communications and making a strong business case for the impact IC has on key metrics and overall organizational performance.

↘ Prioritize comms attributes that drive high performance (e.g., personalization) as highly as foundational messaging attributes (e.g., authentic). Analyze the unique qualities of your team's work to understand what works best in your environment. Center everything you do around those predictors and deliver amazing output.

Key actions for IC leaders:

↘ Create a workplace that better supports your team by advocating for adequate staffing, budget and access to the tools your team needs to do their best work, including AI-powered solutions.

↘ Invest in a stellar employee experience by giving your team consistent support, recognizing their accomplishments, and fostering a sense of connectedness and belonging.

↘ Align with a department that understands the intricacies of internal communications and whose work is intertwined with IC effectiveness.

State of Internal Communications 2024
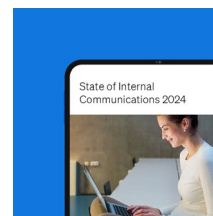
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About Simpplr

Who we are

Simpplr's AI-powered employee experience platform goes beyond just an intranet. It will help you deliver beautiful, highly personalized, and targeted employee communications without any technical or design help. Simpplr is the only platform that unifies employee engagement, enablement and services, leveraging state-of-the-art AI models to deliver a seamless, cohesive and personalized employee experience.

Trusted by over 1000 global brands, including Moderna, Snowflake, Splunk, Penske, Eurostar and AAA, Simpplr customers achieve significant improvement in their employees' productivity, retention and overall satisfaction. Headquartered in Silicon Valley, CA, Simpplr is backed by Norwest Venture Partners, Sapphire Ventures, Salesforce Ventures, Tola Capital and Still Venture Capital. Learn more at simpplr.com

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