Report:
Global State of Internal Communications 2021

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1. Introduction

In our Global State of Internal Communications 2020 report, we talked about the evolving role of internal communications from being a nice-to-have within organisations to a must-have for business success. By 2021, the internal communications function has been definitively established as critical to business success.

Internal communicators have long strived to earn a seat at the table. Now they need to pave the way for companies to nurture a strong company culture for a largely dispersed workforce.

In 2021 several trends from the previous year persist, while others take on a new light. In the face of growing challenges, we also see many solutions.

This year will undoubtedly be a game-changing year for internal communications as organizations adapt to pressing global challenges and reignite their commitment to workplace engagement.
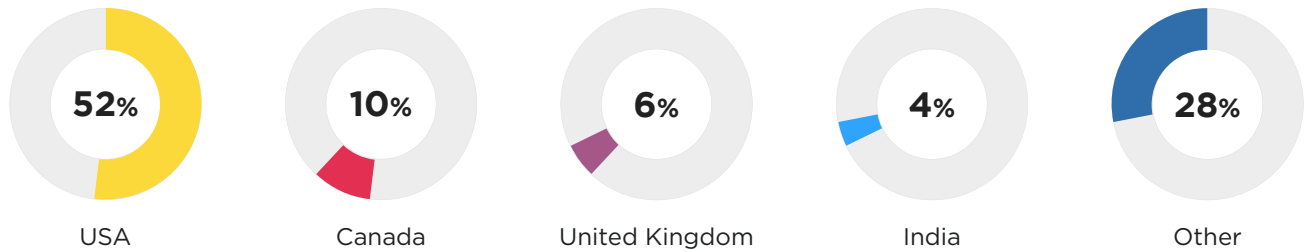
2. Executive Summary

In this report, ContactMonkey highlights key trends shaping internal communications in 2021. The following insights come from our Global State of Internal Communications 2021 Survey, and are supported by secondary research sources.
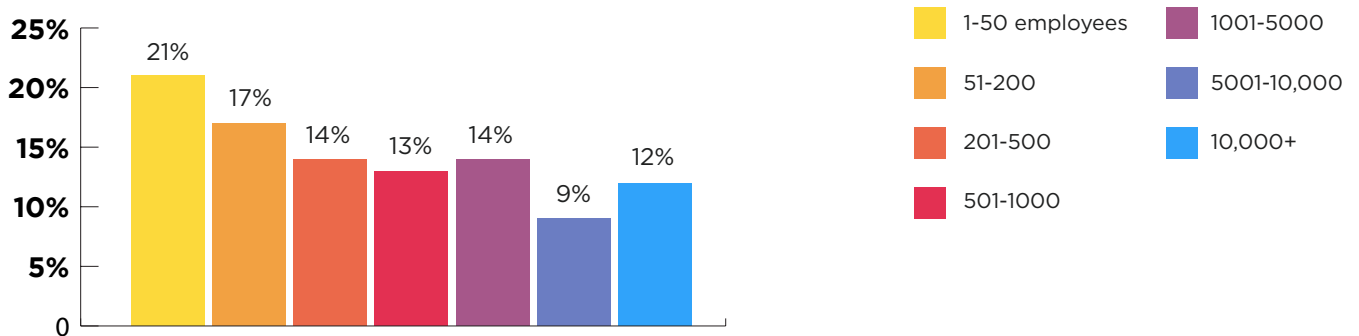
Report Highlights:

- Employee experience, remote work, future of work, and diversity & inclusion are the leading trends of 2021

- Increasing employee satisfaction is the top goal for the majority internal communicators

- Effective culture change, reduced attrition, and improved productivity are also key drivers of internal communication strategy

- 68% of internal communicators struggle with low employee responsiveness and feedback

- Measurement persists as a pressing challenge for 83% of internal communicators

- Over 50% of companies do not have a long-term internal communications strategy, and 42% do not work with a fixed budget

- Creating content and templates is the most time-consuming internal communications activity for 58% of respondents

- The employee engagement score is the most important metric for showing internal communications impact

- Employee feedback, employee engagement, and email opens/clicks are the top three internal communications Key Performance Indicators (KPIs)

- Email continues as the most commonly used internal communications channel, with 70% of internal communicators relying more on email during the pandemic

- A lack of human interaction was the biggest challenge when it came to shifting to remote work

- 65% organizations already have an action plan in place for returning to work

3. Respondent Profile

3.1 Where the survey respondents are from

52% USA
10% Canada
6% United Kingdom
4% India
28% Other

3.2 Sizes of the companies respondents represent

Bar	Value
1-50 employees	21%
51-200	17%
201-500	14%
501-1000	13%
1001-5000	14%
5001-10,000	9%
10,000+	12%

Legend:
- 1-50 employees
- 51-200
- 201-500
- 501-1000
- 1001-5000
- 5001-10,000
- 10,000+

3.3 Departments of respondents

27% Internal Communications
16% Human Resources
15% Marketing
42% Other
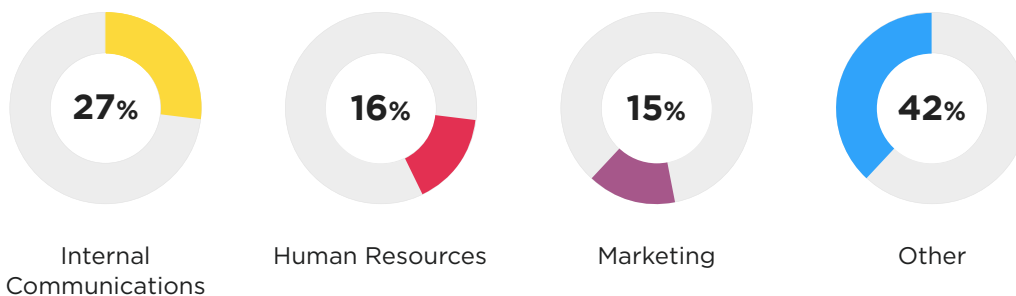
4. Trends

Most Popular Trends of 2021

Employee Experience was identified as the most popular trend among internal communicators in 2020, and it continues to hold its position as the leading trend of interest in 2021. According to Deloitte, 80% of HR and business leaders said that employee experience is significant to them. Employee experience is the cumulative experience an employee has from the first touch-point with an organization, right up to the last. A strong employee experience leads to lower turnover, higher job satisfaction, stronger productivity, and better customer service.

Unsurprisingly, Remote Work has become a central trend to most organizations over the past year. As per Buffer's State of Remote Work sur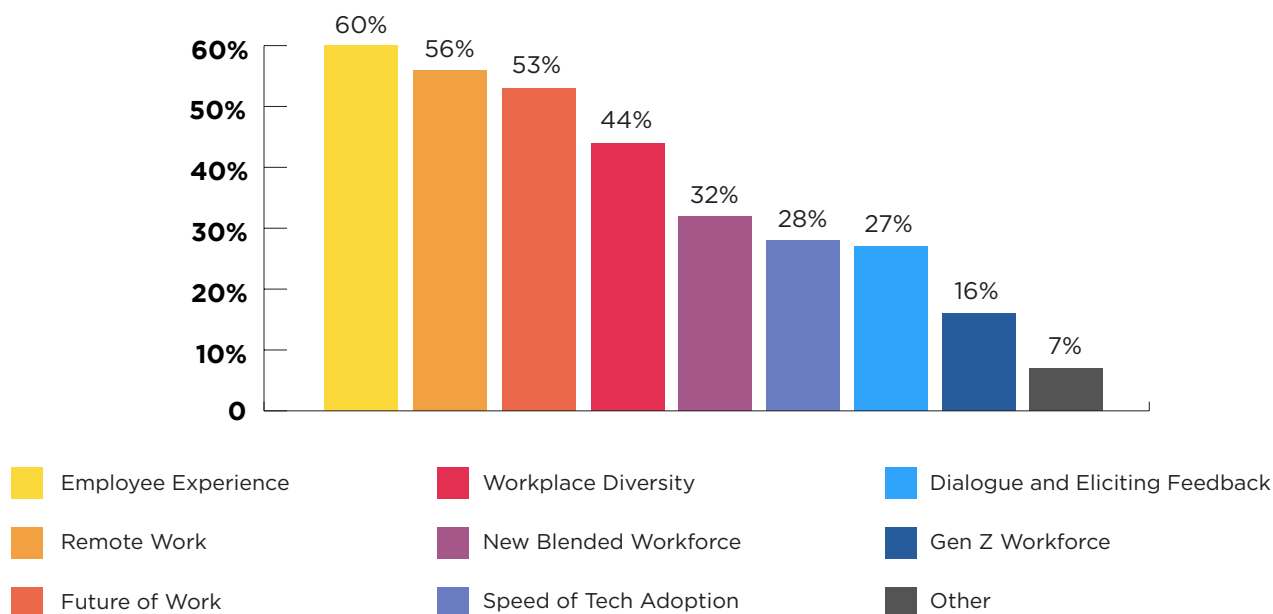vey, 45% of respondents shifted to remote work due to COVID-19. Pre-pandemic, remote work was a subset of the Future of Work—a plausible direction for some organizations as the world transitions to a digital ecosystem. In only a year, this trend has become the predominant structure for most teams across organizations.

The Future of Work is another trend critical to internal communicators—but its definition has evolved. Topics like shifting to virtual recruitment, managing a remote workforce, and adjusting to flexible work now dominate the topic of future of work.

While conversations around workplace Diversity & Inclusion (D&I) are not new, a majority (57%) of employees still feel that their company should be more diverse. Internal communications can greatly help foster a stronger D&I culture by facilitating dialogue that brings awareness and fosters empathy around subjects like race, gender, and identity at the workplace.

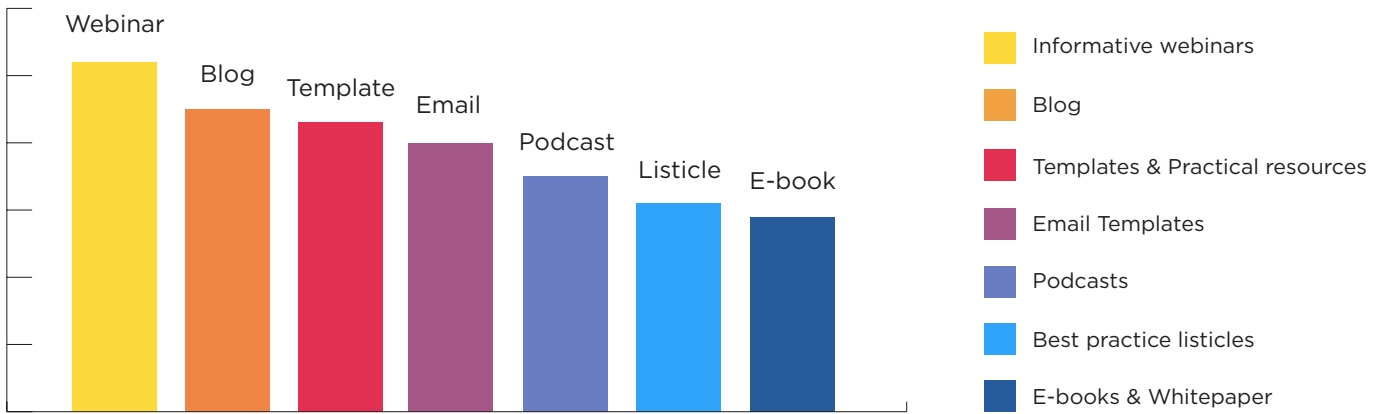**Key takeaways:**

- Employee experience is the biggest focus area for internal communicators in 2021

- Remote work will continue to define company culture

- Future of work is consistently a top trend for internal communicators, but its definition has evolved over the past year

- The onus of nurturing a more diverse company culture increasingly falls within the purview of internal communications

5. Content

Which of the following adds the most value to your work?

Legend:
- Informative webinars
- Blog
- Templates & Practical resources
- Email Templates
- Podcasts
- Best practice listicles
- E-books & Whitepaper

Webinars, blogs, and templates are most valued by internal communicators

2020 saw a steep rise in virtual events, and webinars proved to be the most valuable form of content for internal communicators. Blogs are another popular source of internal communications information, followed by easy-to-use templates and other practical resources that help time-constrained internal communicators work more efficiently.

What kind of communication/newsletters do you send your employees?

Legend:
- Important updates
- Company events
- CEO announcement
- Quarterly round-ups
- Miscellaneous
- Holiday themes
- New hire updates
- Annual newsletters
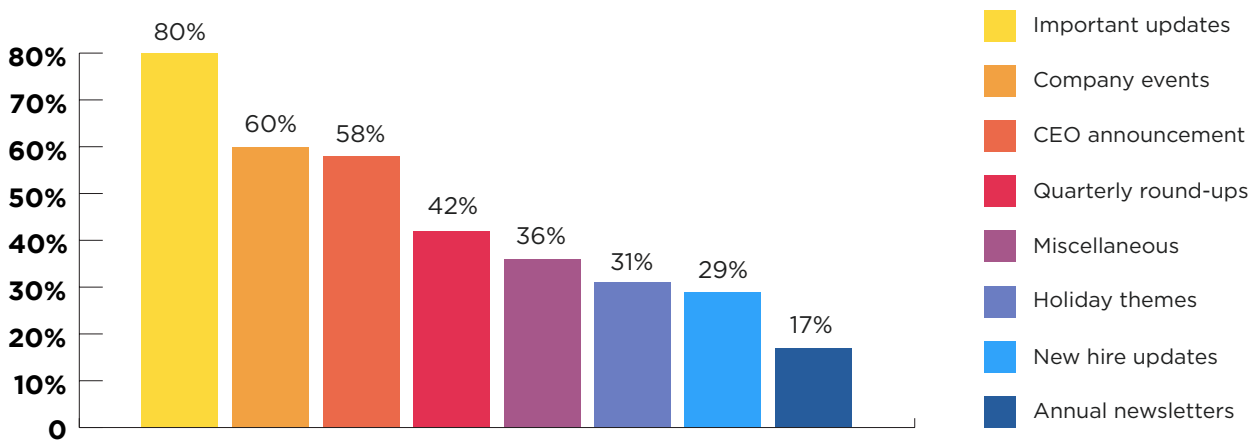
Internal communications was all about important updates, company events, and CEO Office announcements

Key takeaways:

- Internal communicators derive the most value from informative webinars, blogs, and practical resources like templates and downloadables

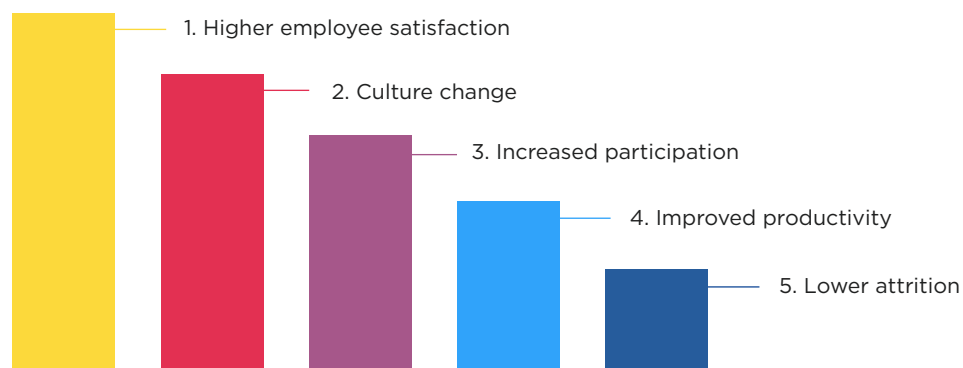- With employees working from home, internal communicators are responsible for keeping them updated on company announcements, events, and other important updates

6. Goals

Top 5 internal communications goals of 2021

Ranked from highest to lowest

6.1 Higher employee satisfaction

Boost employee engagement levels: Improving employee satisfaction is a top driver of internal communications in 2021. Employee satisfaction is dependent on a variety of factors from job role and career prospects to quality of leadership and workplace culture. Evidently, improving employee satisfaction is the responsibility of the entire organization. For internal communicators, creating an employee-focused culture through effective, engaging communication would be a key goal. If employees are not content with their jobs, they are likely to leave. A study by Kon Ferry shows that 33% of individuals who changed jobs cited boredom as their main reason for doing so. Internal communicators need to find fun and innovative ways of keeping employees engaged remotely.

6.2 Culture change

Culture change has never been a bigger priority. With the sudden shift to remote work last year, few organizations had time to prepare for this drastic culture change. Now, as workplaces have finally adjusted to the "new normal", some will be tasked with transitioning back to the office. Internal communicators will play a huge role in managing a smooth culture change with a strong, effective, and consistent communication strategy. Shifting to a digital workplace, restructuring organizational practices, fostering mental health and well-being, managing recruitment remotely, developing psychological safety, and engaging flexible workplaces are some of the key objectives for internal communications. Several companies saw the benefits of remote work and have chosen to switch to remote work for the long-term. Amazon, Facebook, Shopify, and Twitter are only a few examples of organizations shifting entirely to a digital ecosystem. Internal communicators will have to work hard to maintain inter-departmental collaboration by working with other key stakeholders such as HR, Operations, and Marketing.

6.3 Increased participation

Encouraging employee participation is another primary goal, involving employees in decision-making has become extremely challenging without daily workplace interactions. Communicators are focused on building two-way communication channels in order to develop a culture where managers include employees in decision-making, and employees feel confident and motivated to share their opinions freely.

6.4 Improved productivity

Employee productivity is directly linked to employee engagement. Companies with higher engagement experience 22% greater productivity. With employee engagement being a key metric of success for internal communicators, it is no surprise that improved productivity is an important result to achieve.

6.5 Lower attrition

After a whirlwind year, companies are striving for greater stability in 2021. Lowering attrition will be critical to creating a steady workplace. Moreover, replacing employees is a huge cost to the company. According to Glassdoor, it costs organizations in the U.S. $4000 to replace an employee. Some of the top reasons why employees leave their jobs are because they don't feel valued, don't see a future in the company, and don't feel

heard. Internal communications plays a significant role in improving retention by fostering a transparent feedback culture, communication opportunities in the company, or giving recognition to employees.

Key takeaways:

- Employee satisfaction is a top internal communication goal for 60% of respondents

- With some offices opening up again and others shifting to remote work permanently, culture change is a major priority this year

- Increasing employee participation in company activities and decisions is the third most important goal for internal communications

- Workplace productivity is a strong indicator of employee engagement, and therefore a primary internal communications goal

- Improving retention, and lowering the costs associated with attrition is be a strong focus for internal communicators

7. Challenges

Top 5 Internal Communications Challenges of 2021

Legend:
- Low employee feedback & response
- Tracking & measuring internal comms
- Engaging remote employees
- Inter-departmental communication
- Getting budget and approvals
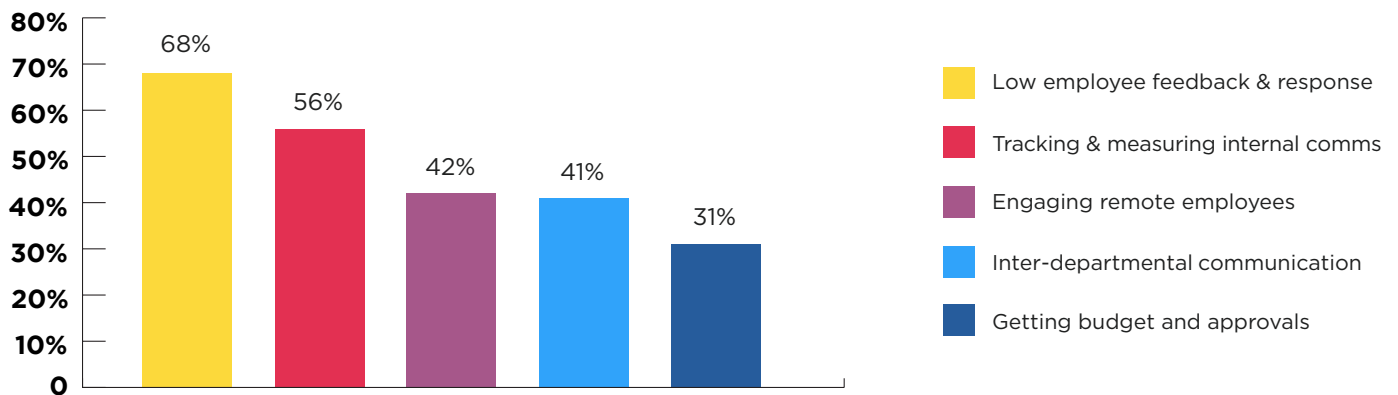
7.1 Low employee responsiveness

68% of internal communicators struggle with low levels of employee responsiveness and feedback. This can be hard, especially with limited face-to-face interactions between employees and their managers. It's also difficult for employees to feel psychologically safe expressing feedback, when they're working from home. As per Gallup, only 3 in 10 employees feel that their opinions are valued at work. By increasing this number to 6, companies can expect to see a 27% decrease in turnover and a 12% increase in productivity. Internal communications has to work hard to foster a transparent feedback culture that encourages candid feedback and input from employees. That being said, there are several options such as pulse surveys, rating scales, eNPS, and anonymous comments that can help address this challenge.

7.2 Tracking and measuring internal communications

In 2020, 72% of internal communicators stated measurement as their top challenge. The good news is that this number has gone down. Now, 56% of internal communicators consider tracking and measuring internal communications as their biggest challenge.

**"Measuring internal communications is the biggest challenge for me".
To what extent do you agree with this statement?**

26%	58%	14%	2%
Strongly Agree	Agree	Disagree	Strongly Disagree
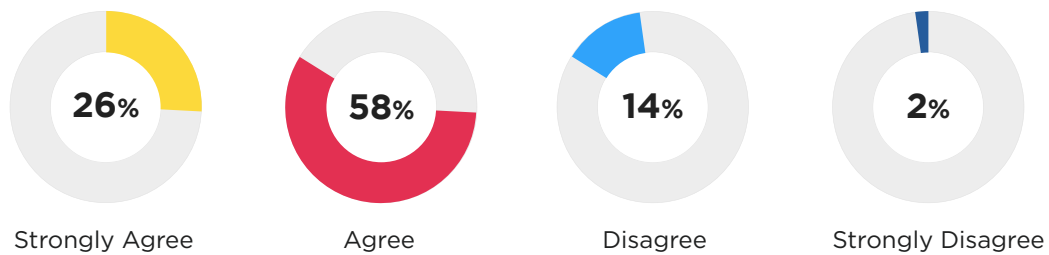
That being said, an unequivocally large percentage (84%) of internal communicators agree or strongly agree that it is difficult to measure internal communications. This just means that while other challenges have taken precedence over the past year, measurement is still a crucial barrier internal communicators need to tackle.

7.3 Engaging remote employees

According to Buffer, 20% of remote workers viewed their existing internal communication as a barrier. Companies have had to rely almost entirely on communication to build and maintain their company culture, making remote worker engagement a top challenge for 42% of respondents. Internal communicators are tasked with creating a holistic strategy that supports virtual recruitment, fosters collaboration, provides employee recognition, and gathers employee feedback.

7.4 Inter-departmental communication

41% of internal communicators find inter-departmental communication their biggest challenge. With teams dispersed and unable to interact on a daily basis, workplace collaboration needs to be a more concerted effort than it previously was. Internal communicators need to constantly innovate, experiment with new tools and tactics, and get creative to bolster cross-departmental communication.

7.5 Getting budget and approvals from leadership

A large percentage of internal communicators do not have a long-term strategy or a fixed internal communications budget. This means that they need to seek leadership approval each time they want to invest in a tool or initiative. This can be tedious and time consuming.

On the other hand, most companies have been focused on minimizing costs to combat the uncertainties shaped by the pandemic. From leadership's perspective, it is risky to incur costs where there is no clear strategy or system to measure return on investment (ROI).

This risk is strongly correlated with the previously mentioned challenge of difficulty measuring internal communications. Without the right measurement tools and metrics to prove success, internal communicators will struggle to get the budget and resources they need to be effective.

"It is difficult to showcase the impact of internal communications in my organization".
To what extent do you agree with this statement?

25%	52%	20%	3%
Strongly Agree	Agree	Disagree	Strong Disagree
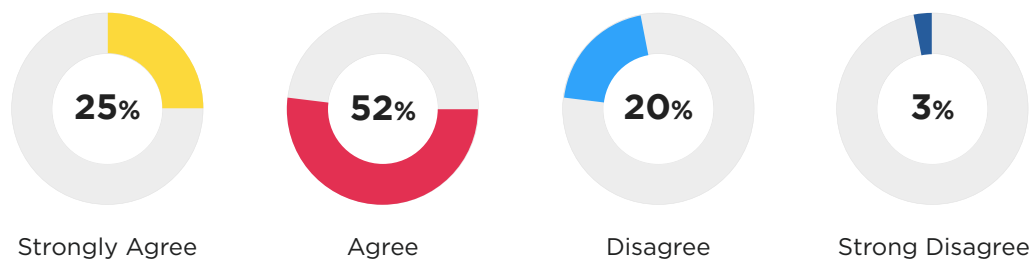
When asked, 52% of respondents stated that they find it difficult to showcase the impact of internal communications.
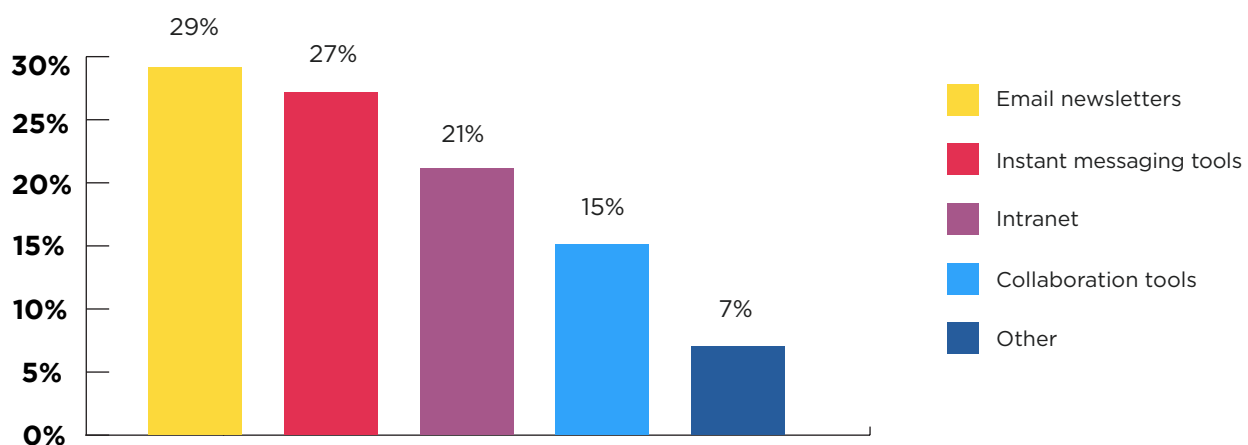
Key takeaways:

- 68% of internal communicators struggle with low levels of employee responsiveness and feedback

- 84% of responds find internal communications measurement challenging

- Remote employee engagement remains a big task for internal communicators

- Poor inter-departmental collaboration is a problem internal communicators strive to solve

- Without a strategy in place, internal communicators find it difficult to get budget and approvals from leaderships

- 52% of internal communicators struggle to showcase the impact of their efforts

8. Channels

8.1 Most common internal communication channels

**Which of the following do you rely on the most for
your internal communications?**

Legend:
- Email newsletters
- Instant messaging tools
- Intranet
- Collaboration tools
- Other

Bar chart values: 29%, 27%, 21%, 15%, 7%

Email is the most commonly used channel for internal communications

**"I rely more on email to communicate with employees during COVID-19".
Do you agree or disagree?**

71% Agree

29% Disagree
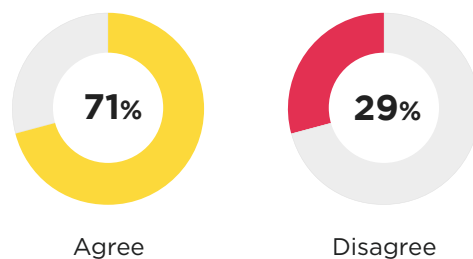
When asked about their email usage during the pandemic, 71% of internal communicators said that they relied more on email during the pandemic than they did previously. With lack of in-person interactions, email proved to be an effective way to communicate consistently with a widespread workforce. Email is also one of the easiest internal communications channels to measure, helping internal communicators prove impact and ROI.

8.2 Most valuable internal communication channels in 2021

Which tools have been most valuable to your internal communications during the COVID-19 pandemic?

🟨	Video conferencing
🟥	Collaborative apps
🟪	Email
🟦	Phone
🟦	Survey tools

Bar chart values: Video conferencing 66%, Collaborative apps 55%, Email 54%, Phone 20%, Survey tools 15%.
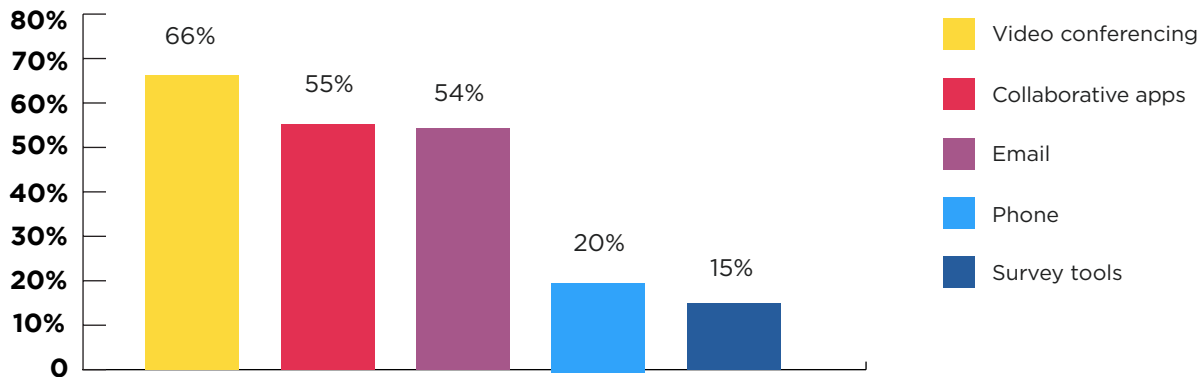
Video conferencing, collaboration apps, and email were the most valuable internal communications tools during the pandemic

Key takeaways:

- Email newsletters are the most common form of communication with employees

- 71% of internal communicators relied more on email during the pandemic

- Video conferencing, collaboration tools, and email are considered the three most valuable internal communications channels

9. Strategy & Culture

9.1 Internal communications strategy

Do you have a long-term strategy in place for your internal communications?

48% Yes

52% No
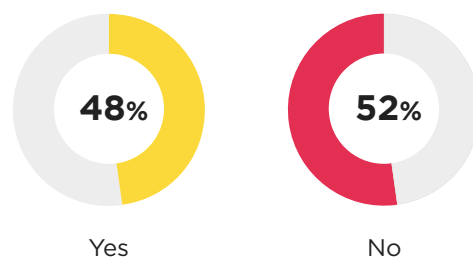
Majority of companies do not have a long-term internal communications strategy

52% of respondents do not have a long-term internal communications strategy in place. This fact corresponds with internal communicators' difficulty measuring internal communications and getting budget and approvals from leadership. Without clearly defined targets and goals, internal communicators can get overwhelmed when deciding which initiatives to prioritize and how to best measure them. Furthermore, there are a plethora of tools that can really elevate internal communications; but without a strategy, it can be challenging to identify the right tools to invest in. This also makes it difficult to set appropriate budgets and demonstrate ROI effectively. .
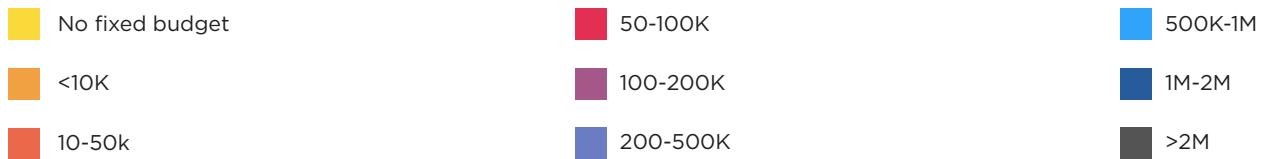
9.2 Budget

Which range best describes your internal communications budget?
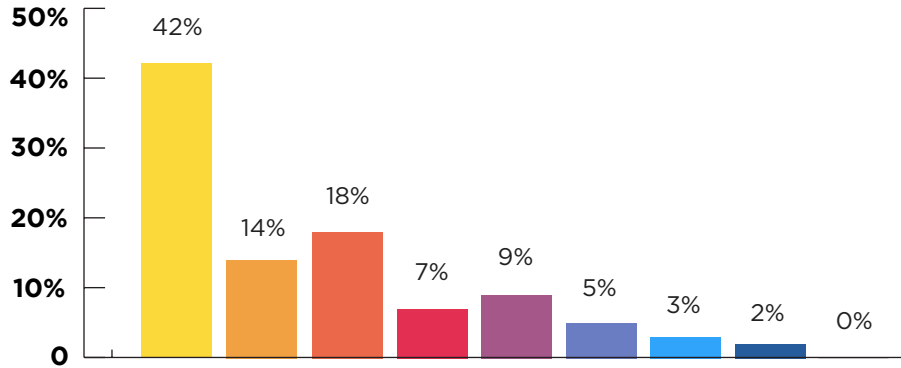
42% of respondents do not have a fixed internal communications budget

- ■ No fixed budget
- ■ <10K
- ■ 10-50k
- ■ 50-100K
- ■ 100-200K
- ■ 200-500K
- ■ 500K-1M
- ■ 1M-2M
- ■ >2M

9.3 Time investment

Which activities take up the most of your time?

- ■ Creating content and templates
- ■ Measurement, reporting, and analysis
- ■ Gathering feedback
- ■ Developing an IC strategy
- ■ Other
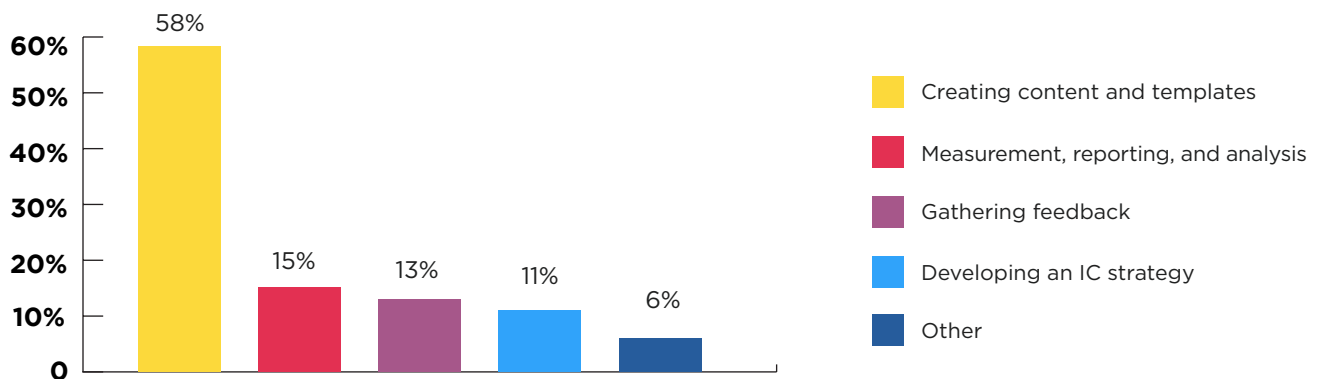
*Creating content and templates is the most time-consuming area of work
for internal communicators*

58% of internal communicators find that creating content and templates takes up the majority of their time. Measurement, reporting, and analysis is the second most time consuming activity for 15% respondents followed by gathering employee feedback (13%). Only 10% of respondents spend the bulk of their time developing an internal communications strategy. It is evident that time-strapped internal communicators—who often face resource and budget constraints—are caught up with tactical activities most of the time. A study by Workforce finds that 60% of employees do not have a long-term strategy in place.

This does not have to be the case. There are several useful tools available that can help internal communicators overcome this challenge. ContactMonkey is a one-stop solution to creating beautiful templates, tracking and measuring internal communication, and gathering employee feedback using surveys, eNPS, and emoji reactions to name a few. As per Mettler Toledo, "Once I started using ContactMonkey, I realized I was able to save

9.4 Leadership

**"Leadership recognizes the value of internal communications in the organization".
Do you agree or disagree?**

2020

74% — Agree

26% — Disagree

2021

83% — Agree

17% — Disagree
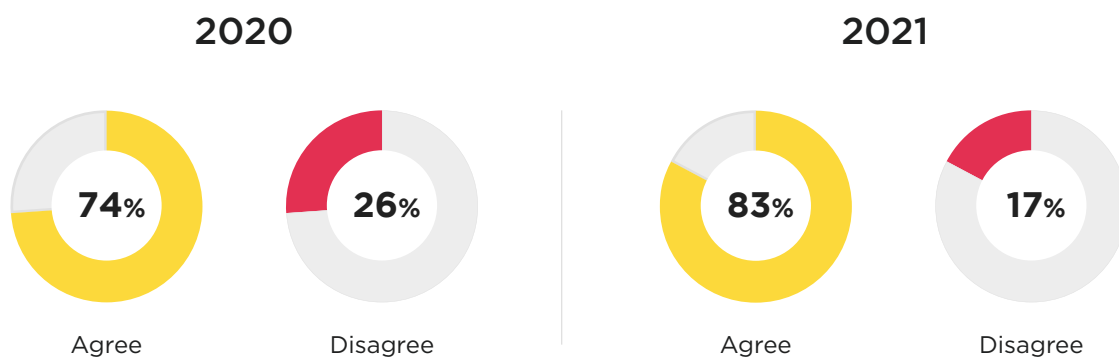
A positive trend is the increased focus on internal communications by company leadership. 83% of respondents (up from 74% the previous year) believe that leadership recognizes the value of internal communications in the company.

9.5 Proving the impact of internal communications

How do you prove the impact of your internal communications?

Legend:
- Employee engagement levels
- Employee feedback
- Employee satisfaction scores
- Open/click rate
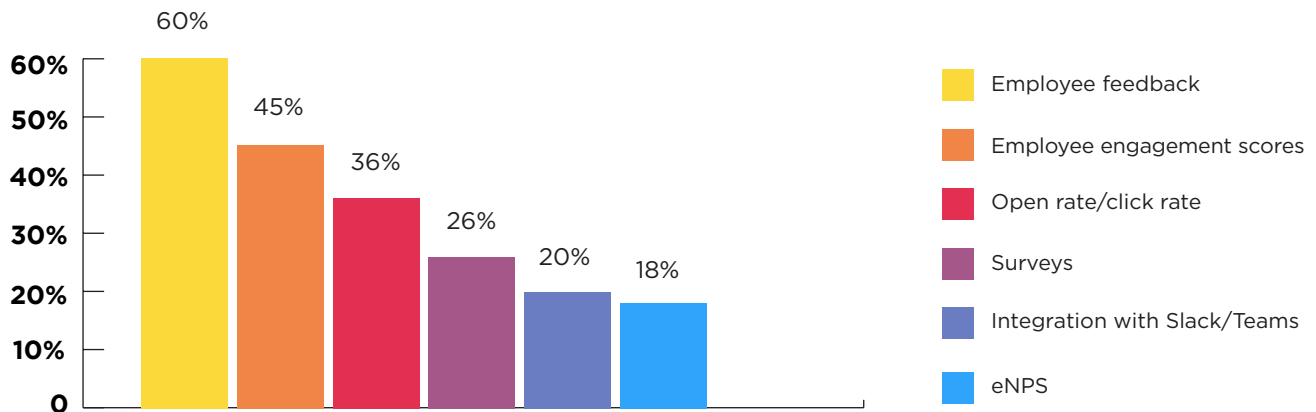- Retention rate

Bar values: 65%, 53%, 43%, 32%, 18%
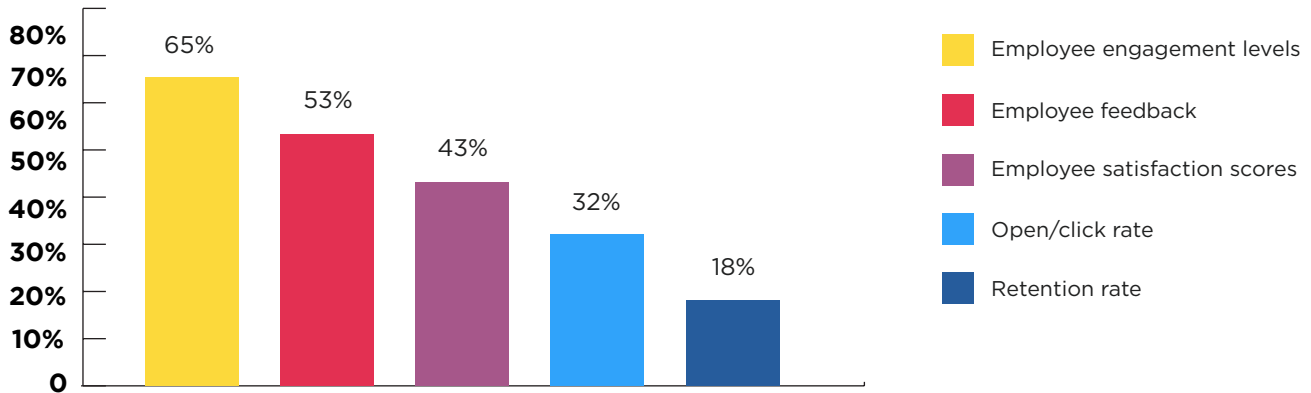
Employee engagement scores are the strongest indicator of internal communications success

65% of internal communicators measure employee engagement to prove the impact of their efforts, followed by 53% who rely predominantly on employee feedback for the same. 43% use employee satisfaction scores to assess and quantify internal communication. As email remains the top internal communication channel, 32% of respondents use email open and click rates to determine the effectiveness of their communication strategy. 18% track the company's retention rate, which is another strong indicator of internal communication success.

9.6 Key Performance Indicators (KPIs)

What are your top internal comms Key Performance Indicators?

Legend:
- Employee feedback
- Employee engagement scores
- Open rate/click rate
- Surveys
- Integration with Slack/Teams
- eNPS

Bar values: 60%, 45%, 36%, 26%, 20%, 18%

The three most common KPIs of internal communicators are:

Employee feedback: The most vital measure of internal communications is employee feedback. All internal communications goals are ultimately geared toward creating a positive work culture for employees. Understanding how your workforce feels is essential to learning if your internal communications efforts are achieving their desired goals.

Employee engagement: An employee engagement score tells you how satisfied your workforce is. High employee engagement is correlated with better productivity, higher retention, and ultimately, an improved bottom line.

Open rate & click rate: With email being the most common communication channel among internal communicators, email open rates and click rates are important metrics for internal communications measurement.

9.7 Employee engagement levels

How would you describe the current employee engagement levels at your organization?
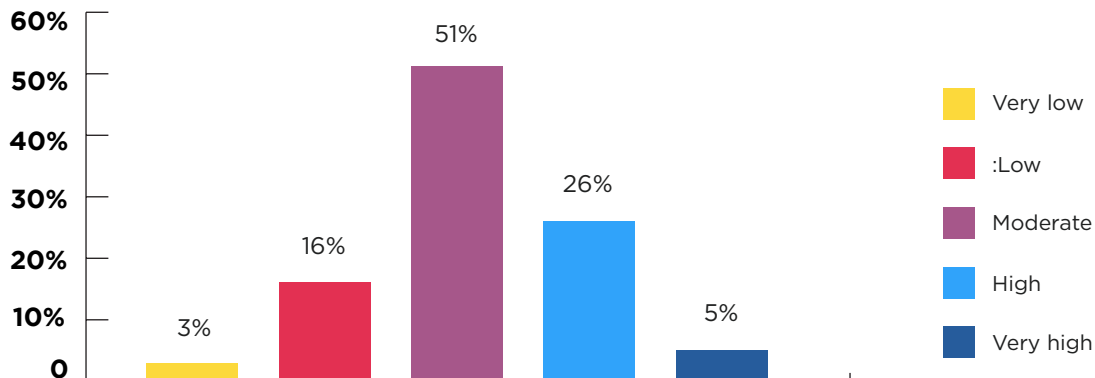
31% of companies experience healthy employee engagement levels, compared to 27% in the previous year. Although a greater percentage of organizations have high employee engagement scores, this year a larger portion have also seen low employee engagement rates. 19% of respondents said they experience low or very low levels of employee engagement, compared to 17% in the previous year.

Key takeaways:

- Majority of internal communicators lack a long-term internal communications strategy

- Without a long-term strategy in place, 42% of companies are unable to determine a fixed internal communications budget

- Creating content and templates is the most time-consuming activity for most internal communicators

- 65% of internal communicators find employee engagement scores to be the best way to showcase the impact of their efforts

- 83% of respondents feel that their leadership believes in the value of internal communications

- Employee feedback is the most valuable qualitative measure of internal communications

- Employee engagement scores are a great way to quantify the effectiveness of internal communications

- Email open and clicks rates are extremely useful in evaluating the quality of internal communications content

- 31% of the companies have healthy employee engagement levels, while 19% of companies have low or very low employee engagement levels

10. Software & Tools

10.1 Third-party software

Do you use any third-party internal communications solution?
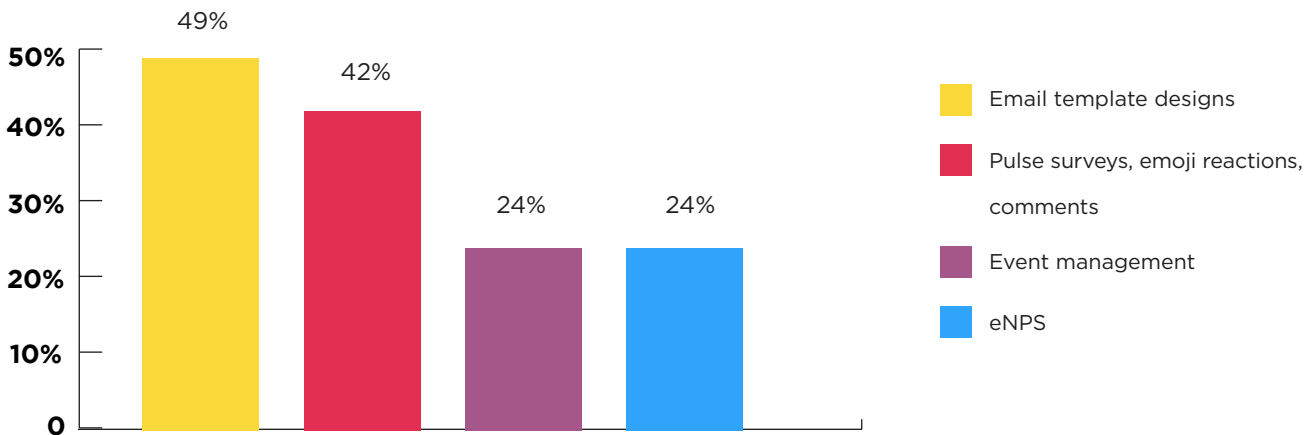

30%	70%
Yes	No
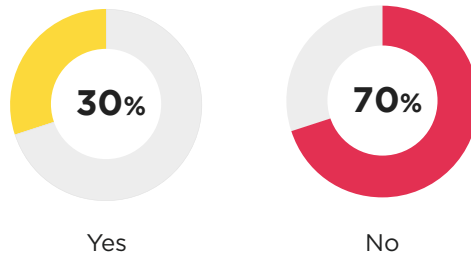
Most internal communicators do not use a third-party solution

70% respondents do not currently use a third-party internal communications solution. This can explain certain challenges around measuring internal communications or gathering employee feedback, for which third-party tools can be a great solution.

10.2 Useful features

Which of the following would you consider the greatest value-add to your internal communications?

- 49% Email template designs
- 42% Pulse surveys, emoji reactions, comments
- 24% Event management
- 24% eNPS

Email template design and employee feedback tools are most useful to internal communicators

Nearly 50% of respondents consider email template design tools the most useful. This makes complete sense considering that content and template creation takes up the majority of an internal communicator's time.
42% of respondents echoed that low employee responsiveness and feedback are a major internal communications challenge, which can be overcome with tools that offer employee survey solutions.

With internal communications going completely virtual in 2020, online events became a norm. 24% of internal communicators value event management tools the most.

22% of respondents found the most value in tools that offer Employee Net Promoter Score or eNPS, which is a great metric to measure employee engagement.
With a multitude of options available, solutions like ContactMonkey simplify internal communications by offering an email template builder, employee survey tools, eNPS, and event management all in one.
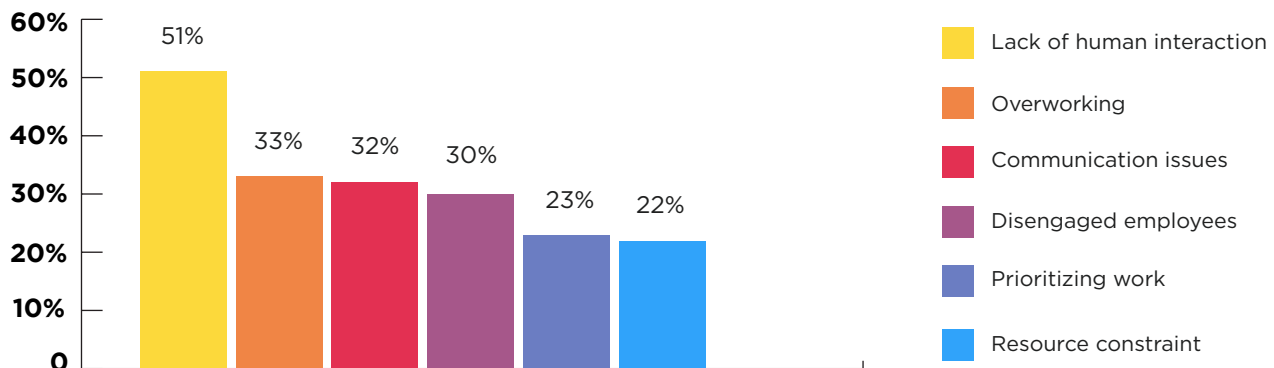
Key takeaways:

- 70% of organizations still don't rely on any third-party tools or software for their internal communications

- Email template builders and employee feedback tools are most valued by internal communicators.

11. Remote Work

11.1 Biggest barriers to adapting to remote work

*51% respondents cited lack of human interaction as the biggest
drawback of remote work*

After spending five days a week at the office, shifting to remote work was jarring for many. 51% of respondents struggled most with the lack of human interaction.

During COVID-19, US workers ended up working three additional hours a day, while employees in France, UK, and Canada worked an extra two. It is no surprise that overworking was cited as a top challenge of remote work by 33% of respondents.

Internal communicators had to help an entire workforce transition to a digital ecosystem overnight. 32% of respondents experienced communication issues that could be attributed to lack of face-to-face interactions, challenges around tech adoption, and a scattered workforce.

The pandemic led to the rise of mental health issues, and 30% of respondents dealt with a disengaged remote workforce. 23% internal communicators, who had a surfeit of goals at hand, grappled with prioritizing tasks effectively. 23% were further overwhelmed due to a lack of adequate resources to support them during this time.

11.2 Impact of the COVID-19 pandemic on employee engagement levels

How has remote work affected employee engagement levels at your organization?

|		
26%	**44%**	**30%**
Increased	Stayed the same	Decreased
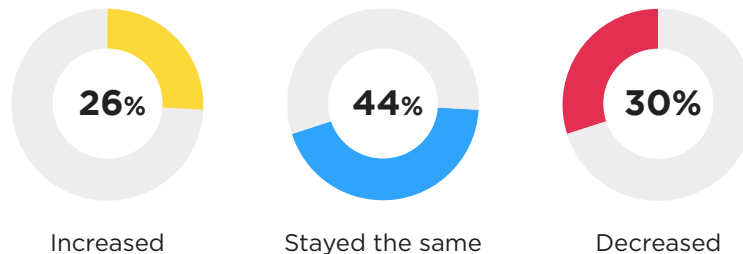
Employee engagement levels varied across companies during the pandemic

30% of respondents observed a decrease in employee engagement during the pandemic. In 2020, individuals had to adjust to working from home with limited contact with the outside world. The coronavirus outbreak led to feelings of stress, fear, and anxiety for many. These sudden changes in everyday life inarguably had a negative impact on workplace engagement, but we are seeing a gradual uptick in employee engagement this year.

11.3 The role of internal communications during COVID-19

"Internal Comms has been elevated to a more critical position at your organization in 2020". Do you agree or disagree?

80%	**20%**
Agree	Disagree
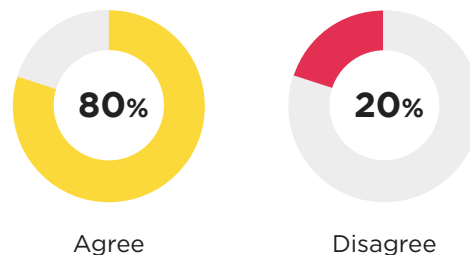
2020 was a transformative year for internal communications

80% of respondents believe that internal communications has been elevated to a more critical position during COVID-19. The rise in remote work required companies to amp up their employee communications quickly and effectively. Organizations that already had a strong internal communications strategy were better equipped to adapt to the new scenario. For the rest, internal communications became a priority sooner than anticipated.
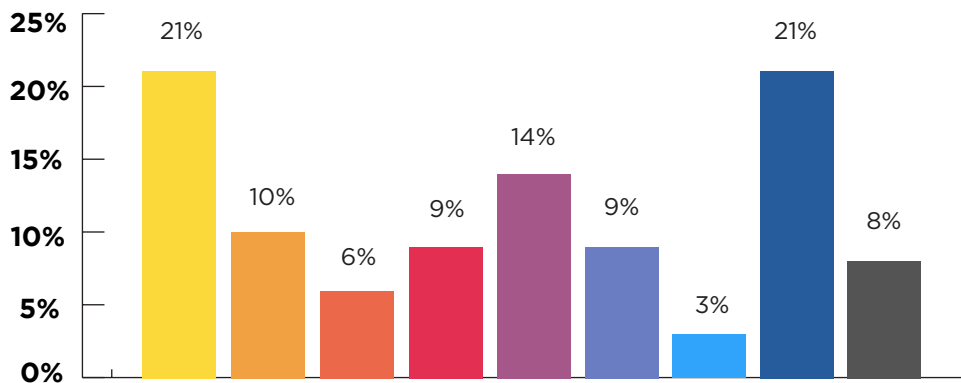
Key takeaways:

- A lack of human interaction was the biggest challenge presented by remote work

- Communication issues, disengagement, and undefined work hours were also cited as barriers to adjusting to remote work

- The pandemic took a toll on mental health, leading to a drop in employee engagement

- With communication being the only way to manage and engage employees, internal communications came into the spotlight
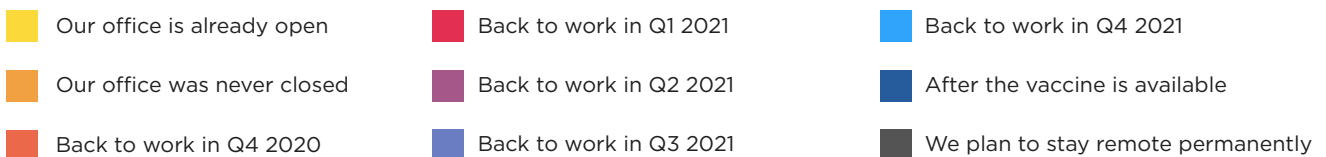
12. Returning to the Office

12.1 Office re-opening timeline

When is your organization planning to allow employees who shifted to remote work during COVID-19 to return to the office or work site?

Companies have taken a mixed approach to re-opening their offices

- 🟨 Our office is already open
- 🟧 Our office was never closed
- 🟥 Back to work in Q4 2020
- 🟥 Back to work in Q1 2021
- 🟪 Back to work in Q2 2021
- 🟦 Back to work in Q3 2021
- 🟦 Back to work in Q4 2021
- 🟦 After the vaccine is available
- ⬛ We plan to stay remote permanently

12.2 Leadership support levels

How do you feel the business/leadership has responded to/planned for people returning to work?

Legend:
- Extremely helpful
- Very helpful
- Somewhat helpful
- Slightly helpful
- Not at all helpful

Bar values: 21%, 45%, 26%, 7%, 2%
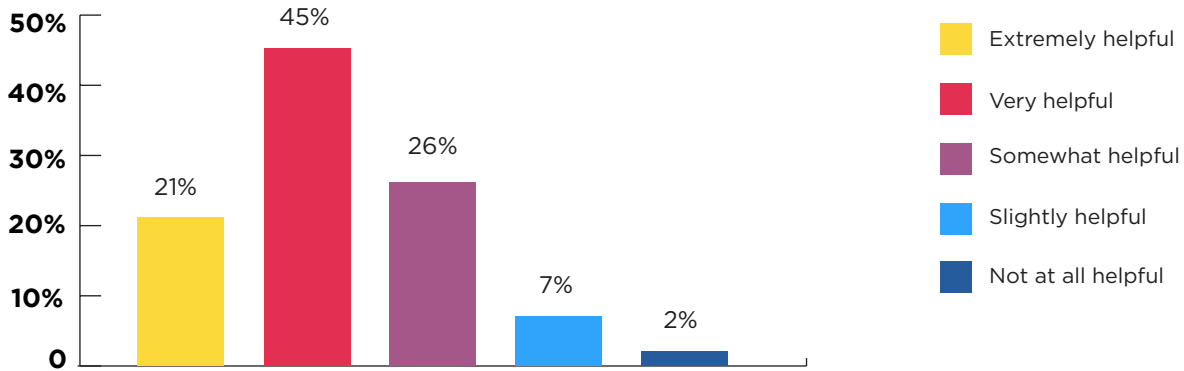
65% of respondents feel that leadership has helped ensure a smooth transition back to work

Leading an organization through a pandemic is no easy feat. Business leaders had to step up and turn into change management experts overnight. Our survey responses indicate that most of them managed to do a good job, while only 2% fell completely short.

12.3 Return to the office action plan

Do you have a Back to Work action plan for when offices open?

65% Yes   35% No
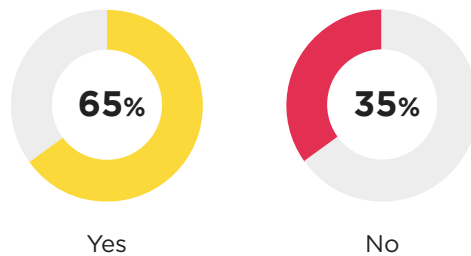
Most organizations have prepared for returning to the office

29

65% of companies already have an action plan for returning to the office. The urgency of this depends on your organization's reopening timeline. But as countries around the world begin the vaccine roll-out, returning to a physical office environment is an inevitable future for which organizations need to prepare.. If 2020 taught us anything, it is that you can never be too prepared in the face of uncertainty.

Key takeaways:

- 40% of companies have either opened their offices already (20%), or plan to do so after the vaccine roll-out (20%)

- 65% of leaders have done a good job helping their companies plan and prepare for returning to the office

- 35% of companies are yet to create a plan for transitioning back to the office

13. Conclusion

Internal communications finds itself in an interesting position in 2021. The change and uncertainty that defined 2020 is likely to linger on this year.

Internal communicators are in the spotlight, with high pressure to deliver as the backbone of company culture. Goals around remote work, employee participation and productivity, culture change, and measurement will be the driving forces of internal comms strategy.

Yet, the outlook is positive. With an assortment of useful tools at their disposal, internal communicators can find effective solutions to challenges such as measurement, employee feedback, inter-departmental communication, and collaboration.

While the workplace continues to evolve, internal communicators have the power to build a happier, more productive, engaged, diverse, and connected workforce.

About ContactMonkey

ContactMonkey is an internal communications and employee engagement tracking solution that integrates into Outlook and Gmail inboxes. We built our tool to help internal communicators transform employee newsletters into a two-way communication channel.

Use ContactMonkey to create, send, track, and measure employee feedback and the effectiveness of your corporate communications. Build beautiful employee newsletters with the easy-to-use template builder, manage company events from your inbox, gather honest employee feedback with various surveys and eNPS, and measure internal communications ROI with comprehensive metrics.

Ready to Elevate Your Internal Communication Strategy?

Book a Demo