

The State of Workplace Communications

A Dynamic Signal Report



The first annual “State of Workplace Communications” report reveals that companies struggle to reach employees in today’s disconnected, widely distributed workforce.

Technology has fundamentally changed the way we communicate, and today’s highly distributed workforce now requires companies to communicate with employees in a way that is mobile-first, personalized, and convenient. “The State of Workplace Communications” report gives insight into which channels are currently being used to disseminate important information, the challenges communication leaders face in communicating effectively within their organizations, and what budget is being allocated to solve these challenges.

Leading organizations increase productivity, recruit and retain talent, improve the customer experience, reduce risk, and build culture with a foundation rooted in strong internal communications. A disengaged and uninformed workforce will have a significant impact on their top and bottom lines. According to research from Gallup, companies with highly engaged employees consistently outperform their competition.

The communication team holds one of the most important roles within the enterprise; they’re responsible for keeping hundreds to thousands of employees up-to-date, productive, and engaged with the company. This is no easy task, especially considering that over half the world’s workforce does not have a corporate email address.

To keep employees informed, communication professionals often turn to a variety of tools, such as email, intranet, social media, memos, breakroom posters, all-hands meetings, and more to reach employees and share vital information.

While attempting to cut through the noise, communication professionals are often forced to contribute to it by taking a multi-faceted communications approach to cover all their bases and reach every employee.

Workplace communications are disconnected.

Today’s workforce is disconnected, widely distributed, and often deskless, creating new challenges for leading organizations who want informed and engaged employees. To better understand the scope of the problems that communication teams are facing today, Dynamic Signal combined proprietary research and third-party data from leading sources to shine a light on the greater workplace communications landscape.

Key findings from Dynamic Signal’s study include:

- 73% of communication professionals reported that communicating company news to employees is a serious challenge
- Over 59% don’t understand the fiscal impact of poor internal communications
- 37% of communication professionals report internal silos as the number one challenge for internal communications

The problem is significant.

Despite the efforts of communication teams, Gallup’s research shows that 74% of employees feel they’re missing out on company information and news. This mirrors the Dynamic Signal study findings: 73% of communication professionals reported that communicating company news to employees is a serious challenge.

Additionally, the survey conducted by Dynamic Signal uncovered that nearly half of survey respondents reported being frustrated by the tools and platforms available to reach employees in a way that is timely, effective, and measurable.

From the rise of mobile to a communications overload, today's Communication professionals are facing new challenges that didn't exist a decade ago.

Communication teams use email, memos, social media, and intranets to reach employees — with limited data as to what's working and what's not.

The majority of Dynamic Signal's study respondents cited email as the most effective way their organizations communicate with their teams. But with professionals sending and receiving 122 business emails per day on average, it's become difficult for important company news and communication to cut through the noise. Additionally, The Bureau of Labor Statistics estimates that over 75 million Americans are hourly-wage workers, rarely having access to email.

Employees need a convenient way to receive important information to effectively perform their jobs, and companies need a better way to reach these workers who do not have a corporate email address. To that end, internal emails are not solving the communication gap.

"Communication professionals continue to rely on technology designed to reach employees in an office, at a desk. This is ineffective and leaves companies totally unable to communicate with half of their employees who are remote, lack a corporate email address, or are generally disconnected. The fact is that mobile phone penetration has exploded in recent years. Technology is finally allowing companies to communicate with every employee, everywhere, reaching an entire workforce in a way that is personalized, convenient, measurable, and efficient." - *Russ Fradin, CEO and co-founder of Dynamic Signal*

Dynamic Signal's research also found that communication professionals cited company intranet as the second most effective form of internal communication (ahead of social media, breakroom posters and mobile apps), despite the fact that today's workforce requires a mobile-first approach to important communications. According to The New York Times, in the United States, 97% of people 18 to 34, and 94% of people 35 to 49 had access to smartphones. Further, Prescient Digital Media recently reported that only 13% of employees actually visit their intranet daily and 31% never visit the intranet at all.

Previous research from Dynamic Signal also highlights that 55% of employees said that a mobile application would help them become more informed and engaged with their company, but considering the lack of investment in mobile-first communications, it makes sense that the vast majority of communication professionals still have problems communicating company news to employees.

To get the full picture of the biggest challenges facing communication professionals today, here are the top issues that communication professionals cited in the Dynamic Signal study:

- **Internal silos** are the primary workforce communications challenge for 37% of communication professionals.
- **Lack of support** from senior leadership in overhauling/improving internal communications is a major challenge for 19% of communication professionals.
- **A distributed workforce** is a top challenge for 32% of communication professionals. This includes everything from remote workers to managing varying time zones and language differences.

According to Dynamic Signal's research, nearly half of those surveyed reported being frustrated with the technology available for workforce communications. And while technology like Dynamic Signal's mobile-first, company communications platform offers to solve this problem, the reality is that many communication teams have yet to invest in a tech stack to solve this significant, workforce-wide problem.

Consider research from McKinsey, which shows that employees spend nearly 10 hours per week searching for and gathering information, and productivity improves by up to 25% in organizations with connected employees. The data highlighting the problem that internal communicators are facing continues to stack up.

The disconnect continues: budgets and priorities don't align with organizational needs.

While communication professionals are aware of the problems they face engaging with the evolving, distributed workforce, they don't have access to the data needed to resolve these issues, and therefore cannot build a business case to secure the budget to solve them. So the conflict between priorities and budgets continues to grow.

The Dynamic Signal survey found that the majority of communication professionals don't know how these challenges are negatively affecting the company's bottom line. Nearly 60% of respondents cited that they lack the data required to gain a clear understanding of the fiscal impact of ineffective internal communications.

- 59% of communication professionals reported not knowing the fiscal impact of ineffective communications.
- 31% of communication professionals estimate that the fiscal impact of ineffective communications is as high as \$1M.

These findings further highlight a disconnect, as Gallup reports that disengaged employees cost the U.S. over \$500 billion per year in lost productivity but McKinsey's research shows that organizations can improve productivity by up to 25% by connecting with employees. Additionally, AonHewitt reports that for every one percent increase in employee engagement, brands can expect to see an additional 0.6% growth in sales.

That's a significant amount of potential hanging on strong internal communications and employee engagement. The companies who quickly close with gap will see meaningful benefits across the organization.

Communication professionals lack sufficient data to overcome the challenges they face engaging the workforce of 2017 and beyond.

What today's communication teams need is technology solutions — many of which are available today — to keep up with the current workforce changes. However, survey results showed that budgets for new technology for internal communications at many organizations are flat.

Two-thirds of respondents to Dynamic Signal's recent survey said they have not received an increase in their communication technology budgets over the last few years, and nearly one-fifth said the greatest challenge they face is making internal communications a priority for senior leadership.

Despite the flurry of recent news surrounding high-profile workplace, brand-building, and morale-boosting efforts, only 17% of respondents work at companies that are investing in internal communication technologies.

- **No budget:** 54% of communication professionals say that their budgets for technology haven't increased in recent years.
- **Lack of sophisticated tools:** 44% of communication professionals are frustrated with the lack of platforms available to better engage their workforce.

Invest in data-driven communications

Communication professionals have already upgraded their external communication solutions, where content and measurement seem to be top priorities. The Dynamic Signal survey results show that 48% of respondents have "invested in content marketing and measurement tools in the last year, and 35% are investing in additional external communication tools.

Yet, only 17% of respondents reported investing in internal communication solutions, despite the fact that the impact would be felt across the organization, benefiting every employee, not just a single team or department.

“There is a major disconnect in workplace communications. Much of the data is pointing to the same problem—communication professionals are not investing in the tools they need to effectively communicate with key constituents. Technology has fundamentally changed the way we communicate, and yet companies are still relying on yesterday’s tools to communicate in the workplace. Organizations have to invest in a mobile-first approach to company communications if they want to reach employees with timely, relevant information in a way that impacts their top and bottom lines.” - *Russ Fradin, CEO and co-founder of Dynamic Signal*

Today’s communication professionals need to be able to reach employees with the most current company news and information—regardless of where they’re located. They also need insight into what tools are successfully engaging their workforce. Without data, communication professionals are flying blind—but with data, they’re armed with the most up-to-date insight into their workforce and can better drive engagement and revenue for the company.

The state of workplace communications methodology

Dynamic Signal surveyed more than 300 communications professionals from Feb. 21 to March 3, 2017. The sizes of the companies ranged widely, from under 100 to more than 10,000 employees.

About Dynamic Signal

Dynamic Signal is the leading company communications platform, trusted by world-class enterprise organizations to increase productivity and empower advocacy by informing and engaging employees with timely, relevant content across channels and devices.

Founded in 2010, and based in Silicon Valley, Dynamic Signal's customers include IBM, Edelman, Capital One, Salesforce, Autodesk, Deloitte, Humana, Hitachi Data Systems, and more. Dynamic Signal is supported by leading investors including Venrock, Rembrandt Venture Partners, Trinity Ventures, Cox Enterprises, Time Warner Investments, Signia Venture Partners, Rembrandt Venture Partners; Domo CEO, Josh James; Stance CEO, Jeff Kearn, Microsoft Ventures, Focus Opportunity Fund, and Akkadian Ventures.

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