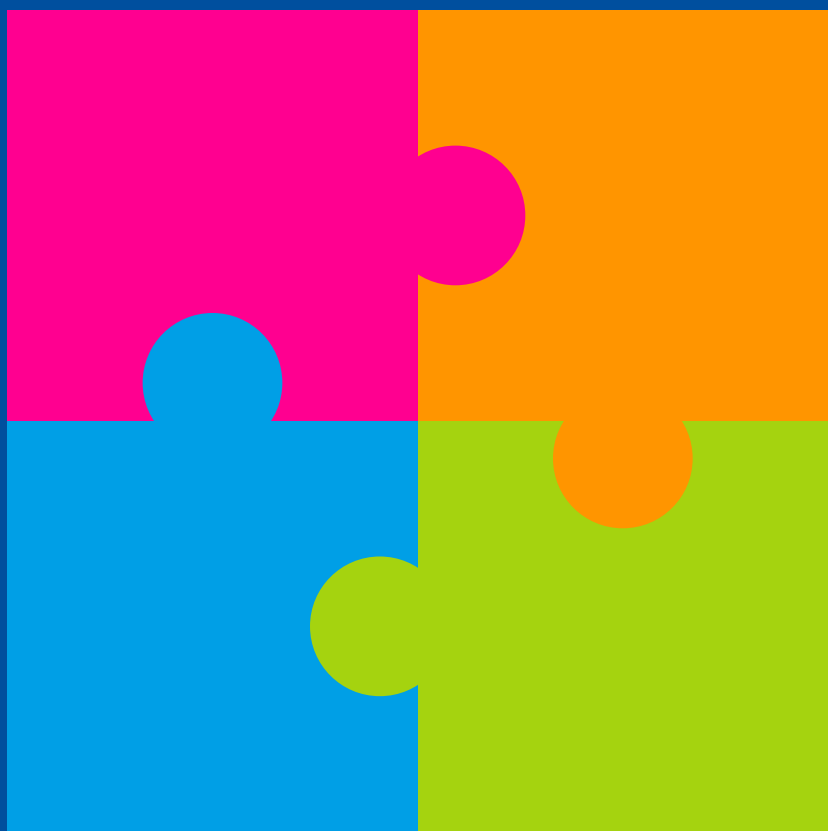
CIPR CHARTERED INSTITUTE OF PUBLIC RELATIONS

The Inside Story:

Investigating internal communication in organisations with fewer than 500 employees



John Clegg Chart.PR FCIPR

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1. Foreword

"John Clegg's paper on internal communication (IC) in companies and organisations of less than five hundred people is a timely piece of research and writing.

This is for several key reasons: there is now a consensus in business that IC is fundamental for organisational success; the legacy of COVID-19, particularly in relation to hybrid employment and working from home, has made IC more central to companies and organisations; digital transformation and AI are radically refashioning employment and IC. These factors are equally as important to small and medium-sized enterprises (SMEs) as they are to large-scale corporations.

There has historically been a dearth of research on SMEs in relation to IC. Research in the subject has tended to focus on large-scale organisations to the detriment of smaller enterprises. This is despite the fact, as Clegg notes, that SMEs in the UK represent three-fifths of employment and half of turnover in the private sector. SMEs are the backbone of the British economy. They are key to local economies, are major employers and are strategic suppliers to large-scale organisations. It is thus both strange and a clear oversight that these vital concerns have been ignored in relation to research, policy and thinking on IC.

Indeed, a key finding from Clegg's research is that those areas where IC is most important: employee engagement and branding, organisational culture, trust in leadership, and facilitating change, are equally applicable to smaller organisations as they are to large corporations. Indeed, SMEs are aware of the importance of IC to the success of their organisations. Yet it is a lack of resources and skills which stymies the successful adoption of IC in small-scale companies. It is these areas where most support is needed, both from organisations such as the Chartered Institute of Public Relations and the Government, if the fruits of IC are to become available to all organisations, large and small."

Michael Heller
Professor of Business History, Newcastle University

"Too often, the conversation around internal communication centres on large organisations and yet the vast majority of UK businesses employ fewer than 500 people.

This report shines a light on the realities, challenges and opportunities of internal communications in small organisations. The findings make clear that effective internal communication is not the preserve of big business; it's fundamental to every organisation that wants to build trust, strengthen culture and drive performance.

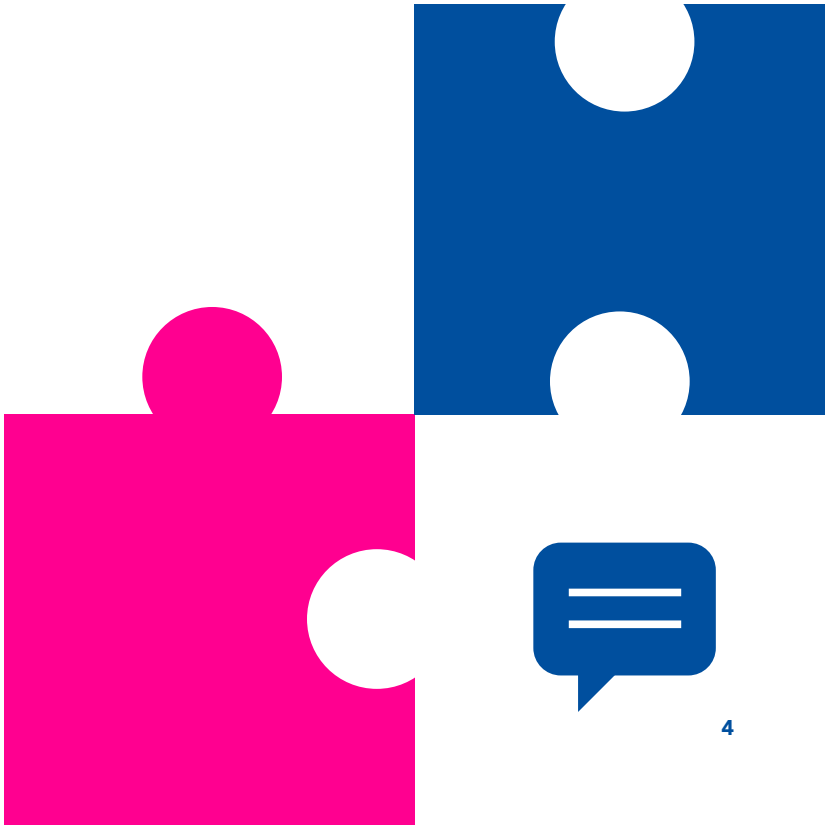
At the CIPR, we believe that by investing in communication, organisations of all sizes can create workplaces where people feel informed, connected and valued. I know this report will help internal comms professionals, leaders and policymakers recognise the strategic role internal communication must play in sustaining growth and building more inclusive, resilient organisations."

Advita Patel
CIPR President

2. Executive Summary

This research project explores internal communication in UK organisations with fewer than 500 employees. This sector of the market makes up 99.8% of UK businesses, and accounts for 16.6 million employees nationally. Despite the huge economic importance, there is little insight into how the organisations communicate with their employees. This project is supported by the Chartered Institute of Public Relations (CIPR) Research Fund.

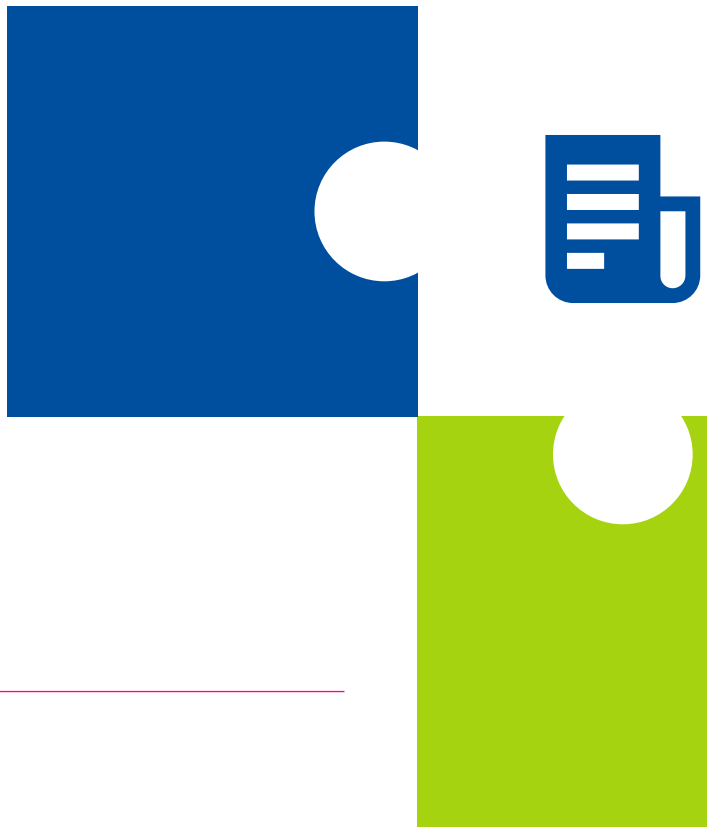
This project used a mixed-method approach combining a survey taken by 74 respondents, each from a different organisation. From the survey respondents, 10 were selected for further interviews. Findings showed that 81% of organisations had some form of internal communication resource. While many are part-time or fractional, dedicated full-time internal communication employees become more common once an organisation hits a threshold of between 100-200 employees. This is in line with wider research and thinking (Dunbar, 2010; Gladwell, 2015), which shows that formal communication functions develop at the point where informal networks begin to fragment.



The research identifies recurring themes shaping internal communication practice in organisations of this scale:

1. resourcing is thin, often fractional and comprised of manager-level communications professionals.
2. email, intranet, and town halls provide the backbone of the channel framework.
3. connection with leadership is a key enabler, but also often a challenge.
4. strategy, governance, and measurement present the biggest opportunities.
5. triggers for investment: growth in headcount, complexity, COVID, and moments of change.
6. AI: cautious experimentation and merging governance.

This study demonstrates that effective internal communication as a strategic tool is not exclusive to large corporations or organisations with thousands of employees; it also underpins success in organisations with fewer than 500 employees. Many organisations of this scale see internal communication as key to articulating their culture, helping to cut through ambiguity, and sustaining operational performance. The key challenge now for these organisations is increasing their focus on strategic delivery and evaluating the impact of their internal communication to generate further investment and resources.



3. Acknowledgements

I would like to thank the Chartered Institute of Public Relations Research Fund for funding the generation of the primary source data. Specifically, I would like to thank Claire Bloomer from the CIPR for her coordination of the project.

Thanks also to the following individuals and organisations who were particularly helpful in sharing the survey link,sound boarding theories and promoting the research while it was underway.

CIPR, CIPR Inside group, CIPR Not-For-Profit group, Comma Partners (particularly Andy Macleod), Redefining Communications (particularly Jenni Field), the Federation of Small Businesses (FSB), The Chartered Institute of Personnel Development (CIPD), particularly both Andrew Fenwick Assoc CIPD and Stephen Pobjoy, Caroline Waddams FIIC, Hertfordshire Means Business, Thames Valley Chamber of Commerce and the Third Sector PR & Comms Network.

Michael Heller, Professor of Business History at Newcastle University, for writing the Foreword of this report.

Jenni Field, internal communication and leadership credibility author and consultant, supported the research design and critically reviewed the project.

Annalisa Miller, communications specialist, reviewed the report and assisted in getting it ready for publication.

Further appreciation and thanks are given to the individuals who volunteered to be interviewed and those who took the time to respond to the survey.

4. Introduction and Research Question

Introduction

There are already several annual reports on the state of internal communication as a sector: two of the most prominent being the globally focused Employee Communications Report by Gallagher, and the UK-focused IC Index by the Institute of Internal Communication (IoIC). However, while these reports cover the sector and do include data from organisations that don't have thousands of employees, reporting on organisations at that scale is often overshadowed by data relating to larger organisations. The research project informing this paper gathered insight to better understand the other end of the market, the organisations that don't have lots of employees. How does internal communication work for them? For maximum relevance and accessibility, the scope of the research was limited to organisations based in Britain.

This project aims to better understand the contemporary professional landscape and operating model for internal communication in organisations with fewer than 500 employees. Specifically, there was a desire to understand what the drivers are for organisations to invest resources into developing formal and strategic internal communication. Was there a threshold – e.g. financial or headcount – that required a change in approach? When operating at this scale, how do organisations define effective internal communication practice?

At the outset, the hypothesis was:

- there is a critical mass which organisations reach, where the challenges of being a self-organising team can no longer be sustained without investment in overt internal communication.
- an organisation's ability to grow and operate strategically at scale requires an investment in knowledge sharing and alignment with organisational objectives.
- what the investment looked like could vary, and
- financial factors contribute to the type of investment organisations make.

Rationale

There is an industry gap in our understanding of what internal communication looks like in organisations of this size. Much of the available data comes from large-scale surveys that focus on larger corporations and businesses, which generally have larger budgets available to invest in communications, multiple sites and a larger workforce, creating a higher communication need. However, this does not alter the fact that smaller organisations have many of the same requirements and needs for internal communication – yet have a very different operational context to consider.

Key factors that make this insight even more important are post-COVID hybrid operating models, with many employees working remotely. Distributed teams necessitate a focus on internal communication that can engender a sense of belonging and trust in organisational leadership and direction.

The UK SME market is a significant part of the UK economy. As of 2024 SMEs*:

- represented 99.8% of the business population.
- accounted for three-fifths of the employed adults of working age (16.6 million).
- generate around 50% of turnover in the UK private sector (£2.8 trillion).

And yet, we have very little idea of how these 16.6 million people experience communications from their employer.

(*Statistics above provided by the Federation of Small Businesses https://www.fsb.org.uk/media-centre/uk-small-business-statistics)

5. Methodology

The research followed a five-phase, mixed-method approach. It began with a literature review to establish a theoretical framework, particularly focusing on the connection between organisational scale and internal communication. This informed the development of a quantitative survey, which explored the drivers of investment in and delivery of internal communication, and perceptions around its value to the organisation. The survey was designed to obtain viewpoints from both senior leaders/ directors and internal communication practitioners. Input was also sought from organisations that had not invested in internal communication to surface insight from opposing perspectives.

More in-depth interviews were conducted with survey participants, who had volunteered for further conversations, allowing more nuance and context to be developed. Ten of these interviews were conducted, resulting in a data set of more than 45,000 words. The data was analysed thematically alongside the survey data (assisted by ChatGPT 3.5, but manually verified and interrogated by the research team). Once the key themes emerged and the data were verified, the findings were corroborated by the literature review, and the report was drafted. Finally, a draft version of the report was reviewed by a research supervisor for analytical and factual integrity, with feedback taken on board and integrated into the final document.

6. Literature Review

A literature review has been conducted using an SME lens. Many of the literary sources in wider discourse examining organisations of this scale do not use the same size grouping as this report. This research covers SMEs but also seeks to include slightly larger organisations, not-for-profits and third sector organisations.

This literature review looks at existing data addressing how SMEs communicate, exploring the impact of internal communication on organisational performance, anthropological discourse on behaviours surrounding group size and the flow of information, as well as the impact of change and culture in growing organisations.

SME Communications: Opportunities and Challenges

Internal communication practitioners in SMEs have distinct challenges, including limited training opportunities, skills gaps in strategic planning, access to digital tools and AI readiness. Of course, resource constraints also feature as a challenge (CIPR, 2024; Gallagher, 2025). Conversely, SMEs exhibit distinct strengths such as agility, empathetic leadership and closer employee relations.

The flatter hierarchies and close-knit cultures found in many SMEs can also facilitate rapid decision-making and personalised communication, particularly during a crisis (Tench et al., 2023).

Internal communication practitioners in SMEs who strategically invest time in internal communication demonstrate significant potential for effective communication outcomes (Gallagher, 2025).

Internal Communication, Culture and Performance Outcomes

In organisations of this size, internal communication can be positioned as a strategic function with measurable impacts on workforce productivity, employee retention and profits. For that to happen, there is a dependence on organisational leadership communications and culture, which can be drivers of employee engagement and trust. (Meng & Berger, 2019; Dyer, 2018). This is particularly evident where internal communication focuses on strategic organisational goals (Dyer, 2018).

Communication in Organisational Growth and Transformation

As organisations grow, informal means of communication become insufficient and formalised communications systems become required to manage complexity effectively (Dunbar, 2010; Allen, 1977). This threshold is in line with what is known as Dunbar's number. Robin Dunbar, the British anthropologist, argues that when group size exceeds 150 people, informal networks fragment and individuals cannot keep track of others' roles, intentions, or actions. Past this size organisational complexity increases, requiring formal hierarchy, written procedure and a focus on communication (Dunbar, 2010). Gladwell (2015) uses the anecdote of the Gore-Tex company starting new offices once each office reached more than 150 employees. Gladwell's model of "tipping points" (2015) highlights the importance of influential roles, such as internal communication employees, to facilitate information flow during times of growth.

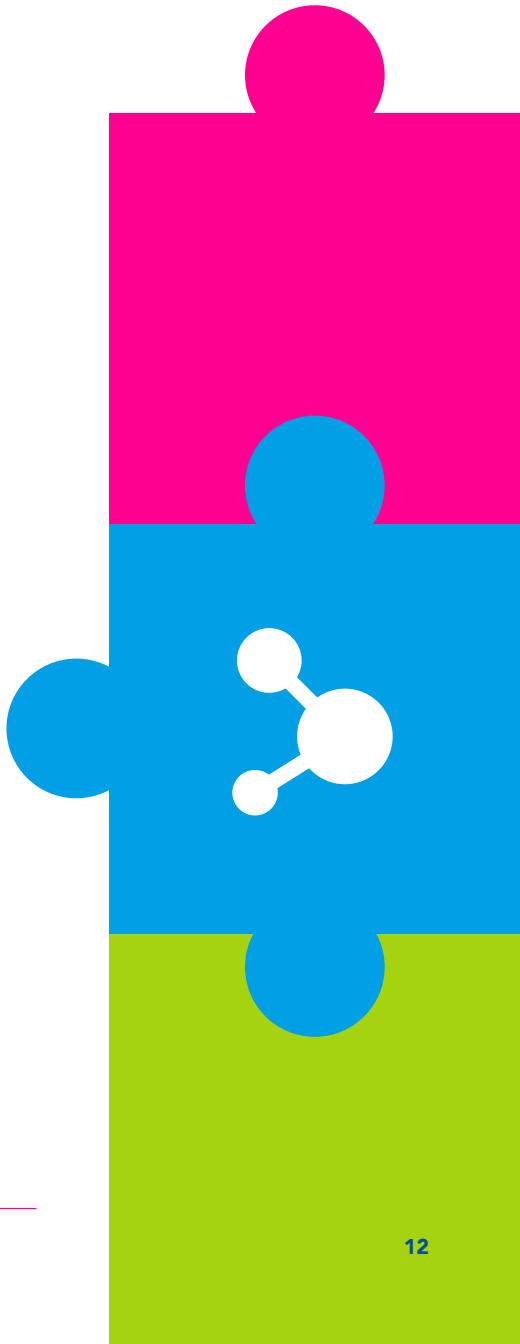
Thatchenkery and Metzker's "appreciative intelligence" (2006) alongside Kotter's dual-operating system (2012) draw upon the inherent strength of internal communication as a critical means of mediating urgency, meaning, and purpose during times of growth and change. Thatchenkery and Metzker position internal communication as a key enabler for talent attraction and performance enhancement when framed through what they call appreciative intelligence. They define appreciative intelligence as the ability to reframe a given situation so that its positive aspects are appreciated and focused upon. Kotter, meanwhile, argues that traditional hierarchies within organisations inhibit the agility required for strategic transformation, particularly if the organisation is growing.

His idea of a dual operating system within organisations undergoing transformation includes the traditional hierarchy working alongside a communication-rich network, where internal communication is critical to breaking down silos and creating a shared vision of the future. Lewis and Nicotera (2020), meanwhile, place focus on internal communication as an enabler for SMEs to deliver and ultimately embed change by addressing deep-rooted cultural or structural tensions in growing organisations. They go so far as to argue that internal communication during organisational change doesn't so much describe the change as it creates the lived experience of it.

Internal communication as a function is important for the success of an organisation. This becomes highly evident when an organisation reaches a point (usually around 150 employees) where informal communication systems break down and are no longer able to maintain a united identity with a shared understanding of rules, values and strategy.

Organisations with fewer than 500 employees have some inherent capabilities which they can use to their advantage. With smaller communities, closer-knit organisations that are not overly complex can be more agile and enable connections amongst employees. While internal communication isn't solely responsible for setting an organisational culture, it is a key driver.

With the support of leadership, internal communication practitioners within these organisations are more likely to be responsive and able to consciously focus on setting cultural norms. These functions are more likely to be agile and unencumbered by bureaucracy. The key to maintaining investment and support of leadership, however, is to focus on measurable impact, evidence of the ability to overcome challenges and bring colleagues along on the journey through organisational change.



7. Findings and Discussion

Survey Analysis

The survey was completed by 74 respondents, with no duplication from organisations. It was designed using Skip Logic, which allowed responses to be collected both from in-house internal communication practitioners as well as organisational leaders. The responses came largely from private organisations, with a generally even split of responses from organisations with fewer than 300 employees and more than 300 employees. The findings examine what the internal communication resource looks like, why some organisations don't invest in internal communication, and where those organisations that do invest have the biggest opportunities to increase their impact.

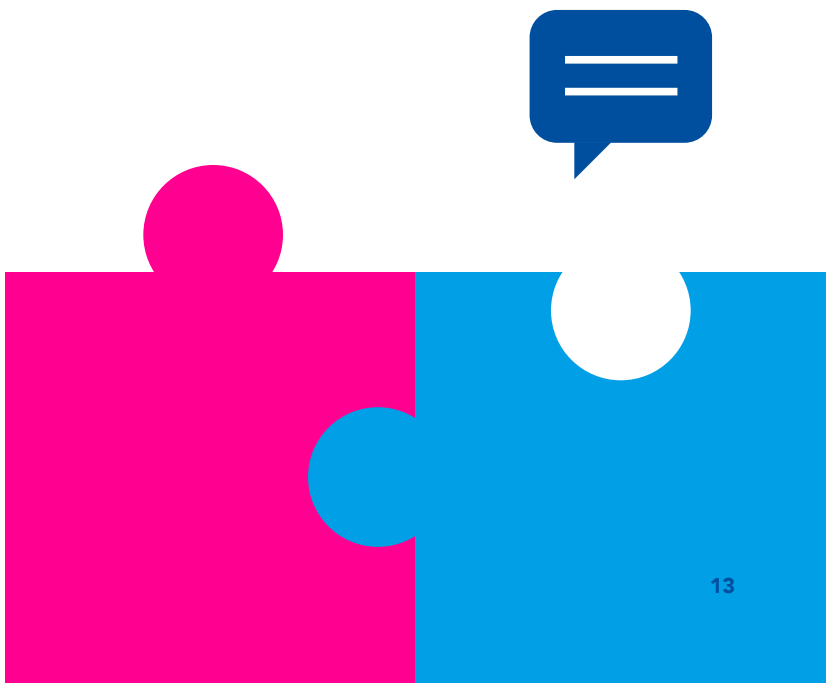
The results break down as follows:

Organisation size by employee headcount

Org. size	1-50	51-100	101-200	201-300	301-400	401-500	500+
Responses	13	4	11	8	15	13	5

Ownership of the organisation:

- Private - 58%
- Third Sector - 33%
- Public - 9%



Do they have any internal communication resource of some sort?

- 81% Yes
- 19% No

What keeps organisations from investing in internal communication?

Responses overwhelmingly relate to finances. Of those respondents who don't have someone responsible for internal communication, almost all of them said that while they see the value internal communication brings to the organisation, they can't afford to invest resources in it. Almost all of them do not expect that position to change in the future. Only one respondent, who leads an organisation with fewer than 50 employees without any internal communication resource, said that they didn't feel they were large enough to invest in internal communication.

What does this internal communication resource look like?

When trying to understand what type of resource organisations have, we can see from organisations that invest in internal communications resource the larger the organisation's employee headcount, the more likely they are to have a full-time employee dedicated to internal communication. Organisations with fewer employees are more likely to have an employee who has internal communication as part of their role, or who works part-time.

Number of employees	% of respondents who have at least one single dedicated full-time internal communication employee.	% of respondents who have an internal communication employee on a fractional basis (including part-time roles)
1-50	17%	83%
51-100	33%	67%
101-200	62%	38%
201-300	83%	17%
301-400	80%	20%
401-500	91%	9%

The gap between action and impact

Change and leadership are common factors in almost every organisation. However, while internal communication in the respondents' organisations sees spending time on change and building trust in leadership as key priorities, they don't perceive themselves to be doing it very effectively.

There is a 23% difference between the organisations that are focusing on supporting change and those that believe they are doing it well.

This difference is even greater for building trust in leadership, with a 31% difference between the number of organisations doing it and the number of organisations saying they do it well.

8. Emerging Themes and Discussions

The research clearly shows that organisations, other than large-scale corporates, utilise and value internal communication and realise its importance. While employee headcount appears to be one of the key drivers for investment in internal communication, financial limitations often raise barriers. However, six key themes have arisen from the research. These themes give colour and context to the landscape that organisations of this size operate within and indicate shared challenges and opportunities.

Resourcing is thin, often fractional, and usually comprises manager-level employees

With 81% of the responding organisations saying that they have someone responsible for internal communication, it is clear that most organisations see the value that internal communication brings. However, this research indicates that for many organisations, resource tends to remain part-time or the partial responsibility of a role until the organisation has between 100-200 employees, with less than a third of respondents having more than one employee focused on internal communication. Some interview participants remarked:

> ***"We're way under-resourced. We have two people focusing on internal communication [between the two of us] we end up with about one full-time employee's worth of time, for an organisation with over 300 people"***
> *(anonymous interviewee, Head of Communications).*

This is compounded by the work they are responsible for. One interviewee said:

> ***"In a small organisation, you have to be both strategist and hands-on…"***
> *(survey respondent, Communications Manager).*

With companies embracing internal communication and under-resourcing, this can lead to a focus on tactical responsive functions that aren't able to invest the time to be strategic.

> ***"[Internal communication here] is very reactive, and only pushes messages out. Our internal communication is not very strategic and doesn't align with building our culture"***
> *(survey respondent, HR Director).*

Capacity is not the only challenge that these practitioners are likely to face when trying to be more strategic in their approach; for some, there is also a skills-based obstacle.

64% of the organisations responding to the survey said that their in-house resource was operating at a manager level. While managers are capable of being strategic, they often don't have the experience of operating at a senior leadership level or for setting strategy.

The 2024 CIPR State of the Profession report shows that 74% of in-house teams are experiencing a skills shortage, with internal communication and strategic planning among the top gaps, and in-house practitioners are four to five times more likely to have training requests rejected than their agency peers.

This points to a situation where in-house internal communication employees seek to upskill to operate more strategically, but have difficulty getting funding approval for the training request. This issue creates an impasse not only for the development of more strategic internal communication in their organisation, but also for their career development.

Email, Intranet, and Town Halls provide the backbone of the channel framework

While digital channels still prevail in these organisations, the research found that where resource and capacity is limited, the key to successful internal communication was providing a consistent channel framework with fewer channels that are clearly defined. It's undeniable that there has been a shift to digital-first channels, accelerated by the COVID-19 pandemic (Tench, 2023:47). However, many organisations with fewer than 500 employees have limited ability to access many digital platforms due to budget constraints.

The channel frameworks in these organisations largely consist of basic platforms and tools that are easily included in the standard Microsoft tech stack: Outlook for emails, SharePoint for intranet, and Teams for virtual Town Halls.

- 82% of respondents use Teams for Town Halls.
- 71% use emails as a core channel.
- 71% have an intranet.

> ***"We tend to use the Microsoft tech stack because we already have access to the enterprise licences"***
> *(anonymous interviewee, Chief Operations Officer).*

However, some praise the channels for being *"...easy to understand and accessible"* (anonymous interviewee, Communications Manager).

Allen (1977:63) asserts that when face-to-face channels aren't viable, another channel needs to be found that can drive that level of connection. Town Halls, particularly using MS Teams, where people can see leaders and each other on the screen, even while based in different locations, is the closest channel in the MS tech stack offering this level of connection.

That's not to say that innovation isn't happening in these organisations. Some are experimenting with other digital channels, including podcasts, Viva Engage, Slack, and digital signage; however, few of these organisations can devote time and budget to developing these channels.

There is also a question in some of the smaller organisations of having a critical mass for the success of these channels.

> ***"We just don't have enough people to use Viva Engage to its full extent and make it worthwhile"***
> *(anonymous interviewee, Communications Manager).*

There is further impact on the channel framework due to budget pressures. One of the other common trends with organisations of this size is that investment into internal communication stops at hiring someone to manage it. These functions generally don't have budgets for campaigns, platforms, or tools. For example, one interviewee (Internal Communication Manager) stated that they had to *"use the Marketing email platform to produce an in-house newsletter."* This way of working can increase workload as integrations with other systems aren't always possible, increasing the load on already time-pressured teams, as discussed above.

The role of the channel framework in developing and delivering effective internal communication in these organisations is vital. Teams don't have the capacity to manage vast amounts of channels, and the channels they do select need to be affordable, easy to use, accessible, and fit for purpose.

Connection with Leadership is a key enabler, but often a challenge

Many of the respondents to the survey reported that one of the key focuses of internal communication in their organisation is building trust in leadership (92%). Far fewer, however, stated that this is being done well (62%).

This not only points to a significant opportunity for improvement but also to some underlying challenges. Internal communicators need a strong connection with leaders, but also need to build connections between leaders and the organisation's employees. Internal communication facilitates a connection between strong, clear leadership and employees to build trust in organisational leadership and direction (Meng & Berger, 2019:71)

The Institute of Internal Communication (IoIC) states in its 2025 IC Index that *"Clarity of strategy rises to 82% when messages come directly from the CEO"*. It is often the job of the internal communication team

to translate messages from leadership into readily digestible content for employees. Tench notes that *"a more human-centred approach to leadership communications, with greater emphasis on empathy, transparency and listening"* has resulted since the onset of the COVID-19 pandemic (2023:47).

This idea of mediating a more human connection with leadership is corroborated by the lived experience from the survey respondents, with one person commenting that *"acting as the bridge and the connector between the leadership and colleagues is a primary purpose for internal communication"*.

Leaders often seem to buy into the value of internal communication, with many interviewees citing a regular cadence of CEO visibility:

> ***"monthly Town Halls led by the CEO, plus drop-in 'ask me anything' sessions"***
> *(anonymous interviewee, Head of HR).*

It is important here to recognise the leadership's perspective as well. One CEO interviewed loves the Town Hall on Teams because *"everyone has a voice and a chance to participate."* While this tips into the arena of organisational listening and two-way communication, it's important to realise the connection to leadership enabled by this visibility.

Enhanced internal communication efforts from leadership during a crisis also proved to be a recurring topic. This was particularly around trust in leadership. Respondents and interviewees almost all cited positive development of internal communication from the CEO/Leadership Team during the COVID-19 pandemic. One interviewee commented that their company leadership:

> ***"did regular updates, a weekly call, and big sessions answering frequently asked questions. Even when there wasn't as much to say, we told employees we didn't have any additional information. People felt their jobs were safe, and they trusted leadership."***
> *(anonymous interviewee, Head of Communications).*

But as we move further away from COVID, the positive benefits seem to be on the wane as sustaining crisis-era transparency becomes challenging and time-consuming.

It's clear that, particularly when mergers and acquisitions arise, the resulting complexity sees key moments where internal communicators are needed to work directly with leaders to reinforce cultural norms and send clear messaging.

As Lewis and Nicotera note, "Providing early previews of the details of the merger and its process significantly reduced uncertainty and increased job satisfaction, commitment, and perceived trustworthiness." (1991:412).

Indeed, increased organisational complexity (whether driven through organic growth, mergers, or acquisitions) is identified by this research as one of the factors that drive investment in internal communication.

Strategy, governance, and measurement present the biggest opportunities

One of the key themes from the research is this notion of stretched and under-resourced internal communication teams. This leads on to some of the biggest challenges facing internal communication: strategy, governance, and measurement, which are all interlinked.

These key components present the biggest opportunity for improvement as they are the areas least likely to be covered by stretched teams. However, they are also the areas that will have the most impact when addressed. Many interviewees stated that there were business cases in their organisation to lobby for more budget and systems or to define their strategy.

How internal communication is represented at the leadership level is also a key challenge. With only 5% of survey respondents saying internal communication sits as a standalone function, there seems to be a roughly equal split between Marketing, HR, and Corporate Communications for where the function reports. A common theme throughout the interviews is that internal communication is deprioritised at the leadership level (i.e. that HR, other marketing initiatives, or external communications campaigns took precedence).

As one interviewee commented:

> ***"I report into our Head of HR, and she kind of understands Internal communication, but it always gets deprioritised for other HR initiatives as that is where her expertise is."***

The internal communication function must have a stable foundation. However, if (as noted above) most functions in these organisations rely on an over-stretched manager-level resource that doesn't have the time or capacity to deliver strategically, then there is a reliance on senior leadership to provide that stability, which often does not happen either.

With only 58% saying that internal communication in their organisation is effective at the moment, it is no surprise to see that 63% of these same respondents cite measurement as a challenge.

Strategy and resourcing play a key role in this discussion. With respondents citing *"we do not have a formal internal communication strategy that we work to"*, others stated that they were *"reactive, not very strategic"*, and noted that *"without budget, IC [internal communication] piggybacks platforms from other departments and tools that can offer better measurement"*.

There is a connection here between a lack of financial resources to provide more internal communication-specific systems and the inability to access better metrics. Many pointed to frustration specifically with the Microsoft tech-stack mentioned above, saying that it *"did the job, but had limited metrics"* for measurability.

The real test for many internal communication professionals, though, is showing the quantifiable impact of internal communication to leadership. With 80% of respondents who have internal communication resources saying that they see the impact of internal communication on the financial success of the organisation, the key challenge here is how they prove it, particularly if they have limited metrics and systems.

This doesn't mean that internal communication isn't being measured in these organisations. One interviewee (a Chief of Operations) stated that *"internal communication is included in the business planning process"* and another (Internal communication Manager) stated that they *"maintain a culture dashboard,"* where, amongst other things they measure *"engagement with key events, webinars, town hall attendees, as well as the performance of content on the internet and our newsletters and keep that running over the year."*

Dewhurst and Fitzpatrick argue the importance of tracking how a message lands and how people respond to it (2022:167). They go on to say that while attributing behaviour to communication is a big challenge, it is possible to test whether the communication had the intended effect, which can go some way to demonstrate return on investment (2022:230). The challenge with organisations in the scope of this research is that many of them aren't measuring the important things that generate the data to prove their impact. As organisations and decision-making run on data, having this information is important to generate further investment.

Triggers for investment: Growth in headcount, complexity, COVID, and moments of change

When looking for the drivers of investment in internal communication, the hypothesis was solely focused on finding the critical mass or threshold for employee size and/or financial turnover, which enabled the investment in internal communication. The research points to a specific threshold, but also paints a richer, more complex picture of when organisations invest in internal communication.

Firstly, the research shows there is a threshold beyond which resources are dedicated to internal communication. Once an organisation employs between 100-200 employees, it generally starts to have dedicated internal communication resources, often but not always a full-time employee. However, another factor around headcount is the speed at which this threshold is reached, or new staff are hired.

When experiencing rapid growth, many organisations invest in internal comms recognising it as the function best able to articulate organisational culture in times of great change. One interviewee commented:

> ***"After a change in leadership, we grew pretty rapidly from 150 to roughly 350, that was when we decided to create a part-time internal communication role."***
> *(anonymous interviewee, Head of HR).*

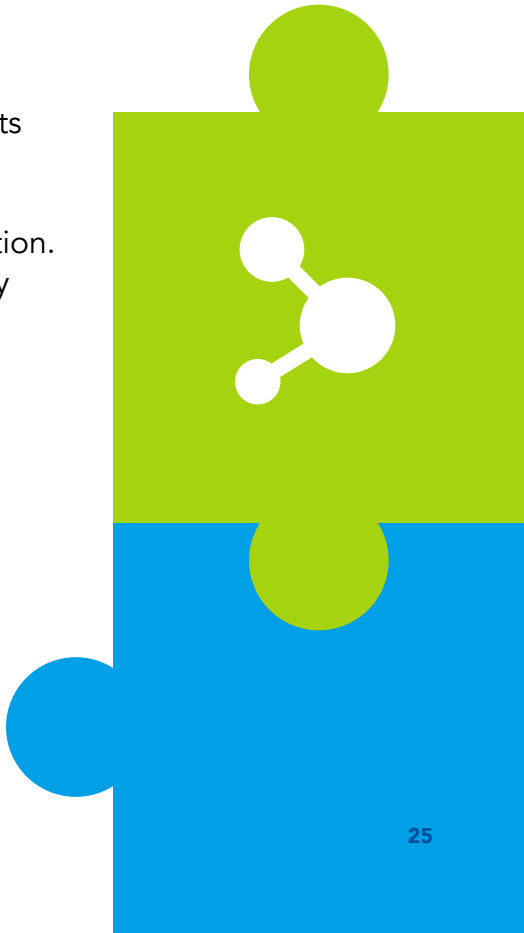
Mergers and acquisitions also add layers of structural complexity and cultural dynamics that require a focus on internal communication. This was a key driver for hiring an internal communication resource for another interviewee:

> ***"Five companies merged, they realised they'd created this complexity and I was brought in to cohere the new organisation."*** *(anonymous interviewee, Group Internal Communication Manager).*

This is exactly what Field states internal communication should do during mergers and acquisitions: *"defining the culture of the new organisation and communicating in a way that aligns with it"* (Field, 2021: 52). While Cross goes on to say that internal communication is vital in this context, as the larger change of a merger or acquisition impairs the effectiveness of established networks, while at the same time doing little to help develop new ones (2002: 33). This role enables the articulation of new cultural norms and explains why internal communication is important at times like this.

Internal communication plays a vital role in crisis communications. As a result, organisations going through a crisis without any internal communication resource have also used that moment to spur investment. The COVID-19 pandemic, in particular, was a period referenced by several respondents and interviewees who saw organisations invest in or dedicate staff to manage the heavy internal communication workload.

Change is becoming more constant in organisations with 82% of respondents who have an internal communication resource saying that internal communication is involved in supporting change projects in their organisation. However, only 59% of these organisations say they do it well. Change may not be the primary purpose of internal communication, but it is recognised as an important secondary function. Mergers, acquisitions, and crises are all moments of change that may require further investment in internal communication.

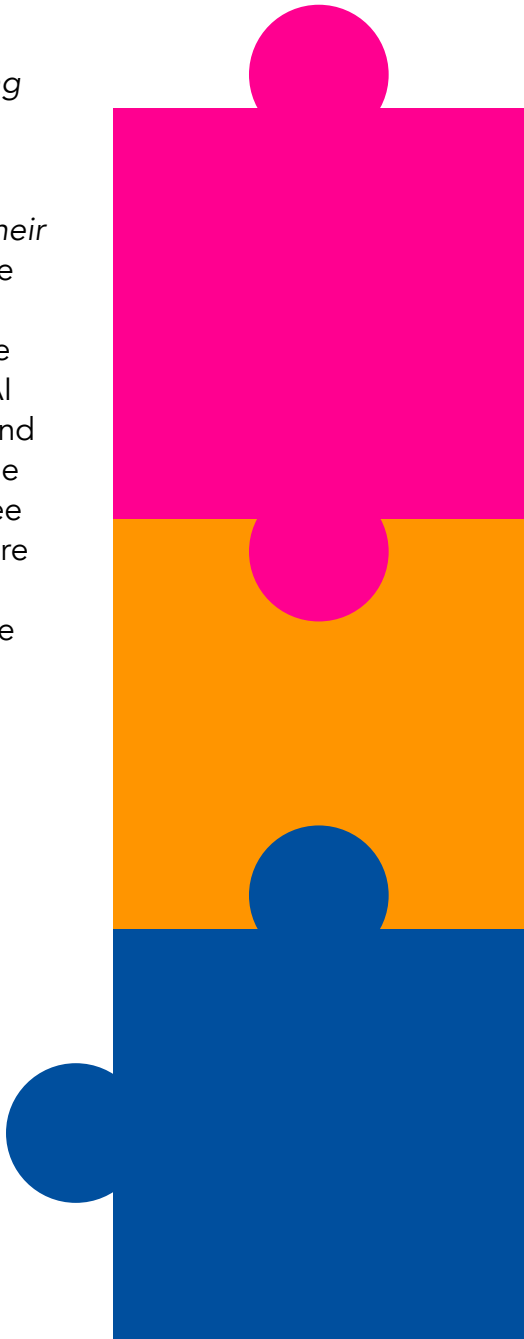


AI: Cautious experimentation and an emerging governance

Whilst the survey did not feature AI-specific questions, it was a recurring theme and is therefore worth mentioning. Many of the interviewees see AI as something that can likely increase the speed at which they work, but none would rely on AI to completely devise content. Given the budget restrictions already highlighted as a challenge, the predominance of the Microsoft technology suite, and the confidentiality issues with leading AI platforms, it is predictable that most of these organisations were using the Microsoft platform Co-Pilot as their go-to AI platform.

While one Head of Internal Communication stated, *"Our IT team is building a CoPilot agent trained on tone-of-voice and brand resources to help colleagues draft emails."* Another anonymous interviewee (Internal communication Manager) commented, *"I use Claude but not for final comms; we're drafting AI policy/guidance at the moment" While at another organisation, an interviewee commented, "We're not there yet on AI as an organisation. Though I suspect many people are using ChatGPT and the like on the side."*

The lack of usage policies is not a surprise. According to Gallagher, policy is a known gap where "*38% of organisations [responding to their survey] report no AI governance or guidance*" (2025). While the State of the Profession Report 2024 highlights skills shortages in AI within in-house teams (CIPR, 2024). Both trends are likely to shape the pace and safety of AI adoption in internal communication more broadly. AI usage in these organisations presents a mixed picture of readiness and willingness to embrace the technology. However, a key element is the capacity to address AI and provide suitable guidance. In at least three of the organisations interviewed, internal communication functions are working with IT to devise a policy which will be rolled out, pointing to the centrality of internal communication in developing governance around the use of AI in organisations.

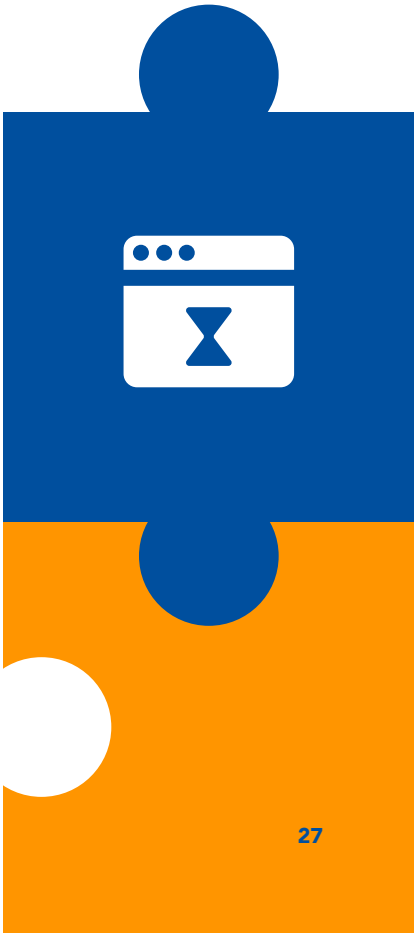


9. Recommendations and Considerations

The primary aim of this research was to examine the way internal communication is being managed in organisations with fewer than 500 employees. After examining what is currently happening, what is working and what isn't, this data has been synthesised into a series of recommendations for organisations of this size looking to improve internal communication and build trust in leadership.

When to invest

- **Recommendation 1: During growth** – in times of rapid headcount growth, timely dissemination of vital information is essential, and internal communication can play a key role in cultural development and employer brand.
- **Recommendation 2: Complexity** – during mergers and acquisitions, internal communication can enable clarity of messaging and help shape cultural dynamics within the new team.
- **Recommendation 3: Crisis, or change** – in times of organisational crisis, or significant change, internal communication can help enable transparency with employees.



How to invest

- **Recommendation 4: Headcount and budget** – ensure that you have the funding to bring on the additional employee, but also have funding to enable them to do their job effectively. Internal communication needs a budget for platforms, systems and training.
- **Recommendation 5: Leadership alignment** – ensure that you establish reporting lines into Senior Leadership that make the most sense for your organisation. Ideally, the Senior Leader will have an understanding of the importance of internal communication and buy in to its value.

What works

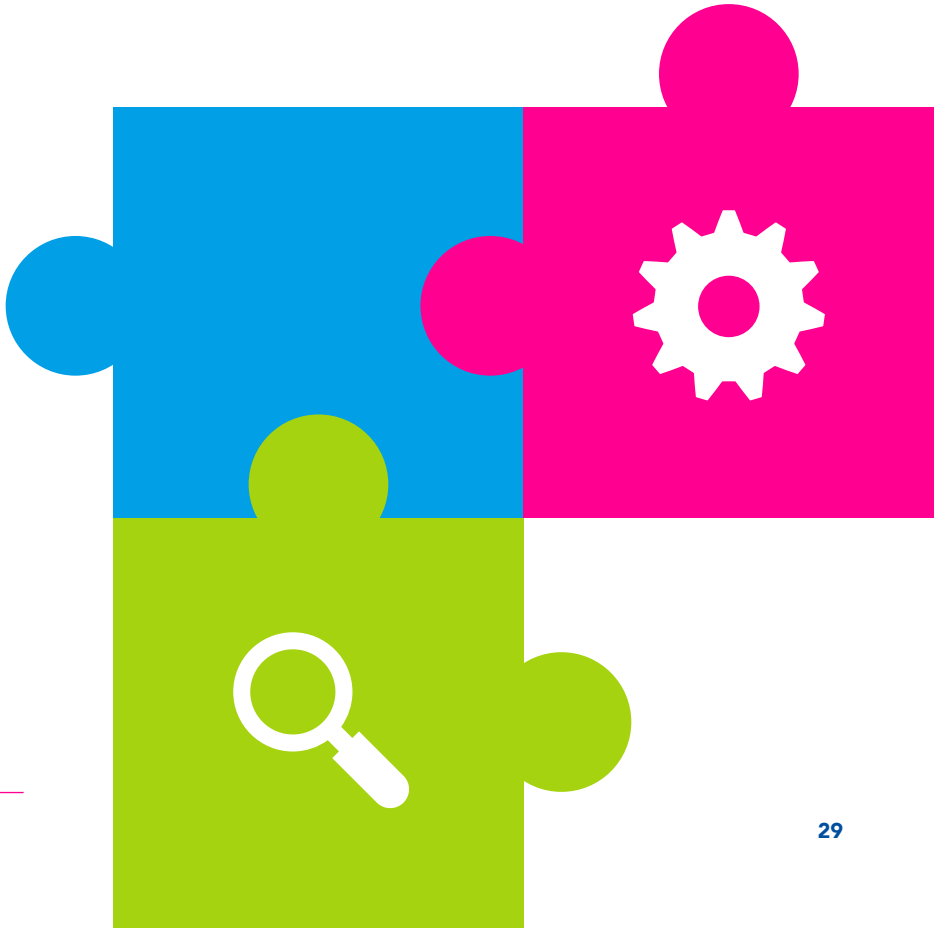
- **Recommendation 6: Virtual Town Halls** – ensure that all voices can contribute in meaningful ways. Make this an opportunity for two-way engagement.
- **Recommendation 7: Microsoft tech-stack** – it provides the basics if your budget is limited.
- **Recommendation 8: Channel clarity** – create a channel framework that is simple, manageable, measurable, based on your available platforms, that can be consistently managed with your capacity levels.
- **Recommendation 9: Face–to–face** – try to get the entire organisation together face-to-face annually if not more regularly. This enables collaboration and relationship building in ways that virtual meetings can't. Several respondents and interviewees have found annual or quarterly gatherings very helpful.

What to avoid

- **Recommendation 10: Organic/legacy channels** – channels that existed before the internal communication resource was brought in. These can include informal WhatsApp channels, outdated newsletters and channels that are not centralised.
- **Recommendation 11: Treating internal communication as admin** – internal communication isn't just a post-box function. Practitioners can operate highly effectively at a strategic level, but only if they are freed up from basic admin.
- **Recommendation 12: Ignoring deskless workers** – many organisations that took part in this research had deskless workers. Before investing in internal communication, these employees were largely ignored from a communications perspective. Ensure that you are reaching out to all of your employees. If you have deskless workers, ensure you have channels that they can access.

This is a high-level summary of recommendations based on the findings of this research.

Of course, each organisation is different and should prioritise the recommendations that best suit their unique context.



10. Limitations & Future Research

This report is intended to provide an initial insight into the world of internal communication in British organisations with fewer than 500 employees – a significant part of the market that has been overlooked by detailed research. The study's insights provide a snapshot of how this part of the sector operates, but given the size of the sector, there is scope for a much larger sample size to be surveyed.

Many of the organisations that responded to the survey and/or interview declined to put a figure on turnover or average salary. There is significantly more depth to the research around funding, investing and salary, which would further contextualise the insight gained from this project.

The market is also broad enough to allow further niche research and insight. This could be broken down by sector (i.e charity, local government, education, etc) or geography. This survey was limited to British organisations, but expanding the scope to include international organisations in ways that the Gallagher State of the Sector report does could allow it to act as a counterpoint to a key industry report.

These findings were the result of mixed viewpoints – interviews and survey respondents included people with different job titles at varying levels of seniority, from Managing Directors to HR Directors and Internal Communication Managers (and other practitioners). Further research could be undertaken from a specific perspective (i.e. leadership perspectives on internal communication, etc).

11. Definitions

In this project, the following definitions were used for terms where they are referenced, including in the survey, interviews and this report.

Internal communication – there doesn't seem to be a definitive definition for internal communication, but researchers and thought leaders (Miller, 2024; Dewhurst & Fitzpatrick, 2019) use the definition asserted by (Strauss & Hoffman, 2000:43): "the planned use of communication actions to systematically influence the knowledge, attitudes and behaviours of current employees."

Internal communication function – again, there is no definitive definition for this, so for this report, the reference is to the business or organisational unit that is responsible for facilitating communication between the organisation and its employees, as specified above. This function can take many forms, ranging from a large team of employees to an individual full-time role or event, in some instances, only forming part of someone's job responsibilities.

Small to Medium Enterprises (SME) – the UK government stipulates that to qualify as an SME, an enterprise must meet the requisite threshold criteria of staff, turnover, and balance sheet totals (total assets) as specified by the Procurement Act 2023. They need to have fewer than 250 staff, and less than or equal to £44m in annual turnover or a balance sheet total of less than or equal to £38m. There are further categories of SME measured primarily by headcount:

- **Micro-SMES:** typically, fewer than 10 employees and lower turnover
- **Small SMEs:** fewer than 50 employees and a lower turnover
- **Medium-sized SMEs:** under 250 employees.

For this project, it was not helpful to reference SMEs because the criteria that I wanted to measure cut across organisations with more employees than the SME definition, but only up to 500 employees. This project also includes public and not-for-profit organisations that do not qualify as SMEs.

In some instances, particularly in the literature review, the relevant discourse externally is primarily focused on and uses the term SMEs. In these instances, it is assumed that the organisations under examination in this project have similar contexts and a high level of relevance.

12. About CIPR and the Research Team

Founded in 1948, the Chartered Institute of Public Relations (CIPR) is the world's only Royal Chartered professional body for public relations practitioners in the UK and overseas, with over 11,00 members.

The CIPR advances professionalism in public relations by making its members accountable to their employers and the public through a code of conduct and searchable public register, setting standards through training, qualifications, awards and the production of best practice and skills guidance, facilitating Continuing Professional Development (CPD), and awarding the Chartered Public Relations Practitioner status (Chart.PR).

Research Team

The Research was carried out by **John Clegg**, a Chartered PR Fellow with 20 years' experience steering high-impact communications in organisations across the publishing, higher education, engineering, architectural and financial sectors. Having worked in, developed and led internal communications functions in smaller organisations, this is a subject of specific interest to him. John has several years of experience as a charity Trustee and chaired the Not-For-Profit special interest group for CIPR for three years. Currently, John is leading the communications on a large change programme at the University of Oxford.

This project was supervised by **Jenni Field**, a Chartered PR Fellow and founder of the consultancy Redefining Communications. Jenni is a Past President of the CIPR (2020), and holds qualifications and accreditations in internal communication, company directorship and facilitation. Since 2017, Jenni has published two books, Nobody Believes You and Influential Internal Communication, and hosted the popular Redefining Communication with Jenni Field podcast. Jenni is globally recognised in the communication industry as a force for change in the way leaders and organisations communicate with their teams.

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