



**INTERNAL
COMMUNICATIONS
AND CULTURE**



GULF
LANDSCAPE
2025

IC&C
GULF LANDSCAPE
2025

part

INTRODUCTION

Research Purpose

The study provides the first structured overview of how Internal Communications and Corporate Culture functions are organized and managed across companies in the Gulf region

What the study explores

- Functions reporting lines and team size
- Core goals, challenges, tools and effectiveness metrics
- AI adoption in internal functions

Why it matters

- Regional benchmarking for companies across industries
- Best practice mapping for internal functions
- Strategic guidance for developing Internal Communications and Culture in the Gulf

Research Methodology



Research Period

- February - March 2025

Participants

- Communications, Human Resources, Corporate Culture leads
- 132 Gulf-based Companies

Data Collection

- Online survey
- In-depth interviews (using the same questionnaire)

Questionnaire Structure

- 20 closed-ended questions
- 2 open-ended questions

Data Confidentiality

- All responses are anonymized. No individual data is disclosed
- Findings are presented in aggregate form

Analysis

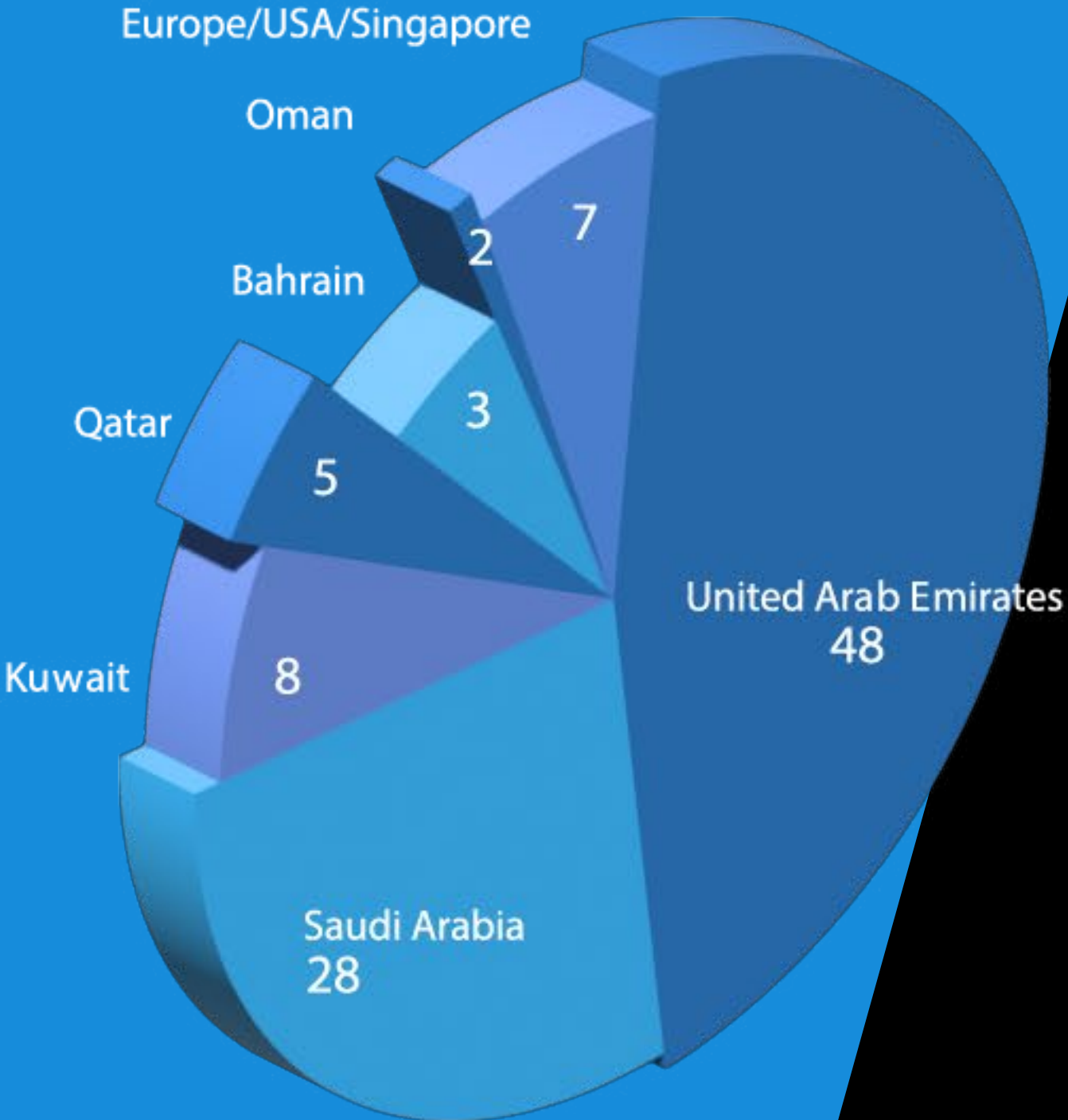
- Data was analyzed by function ownership, company size, industry, and country
- Cross-tabulations were used to explore patterns and correlations across key variables

Respondent Profile

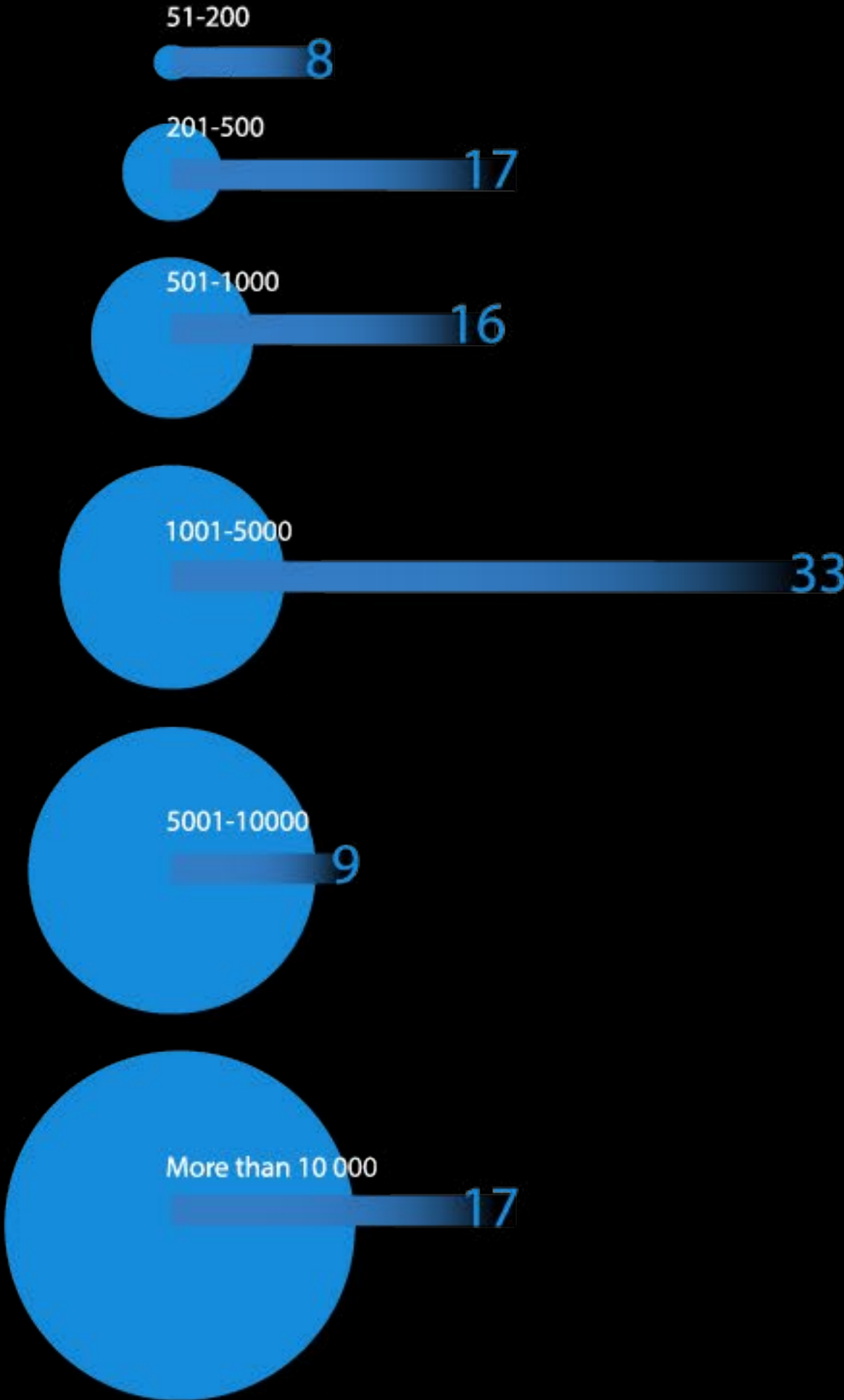
132

GULF-BASED COMPANIES ACROSS SECTORS AND SIZES PARTICIPATED IN THE STUDY

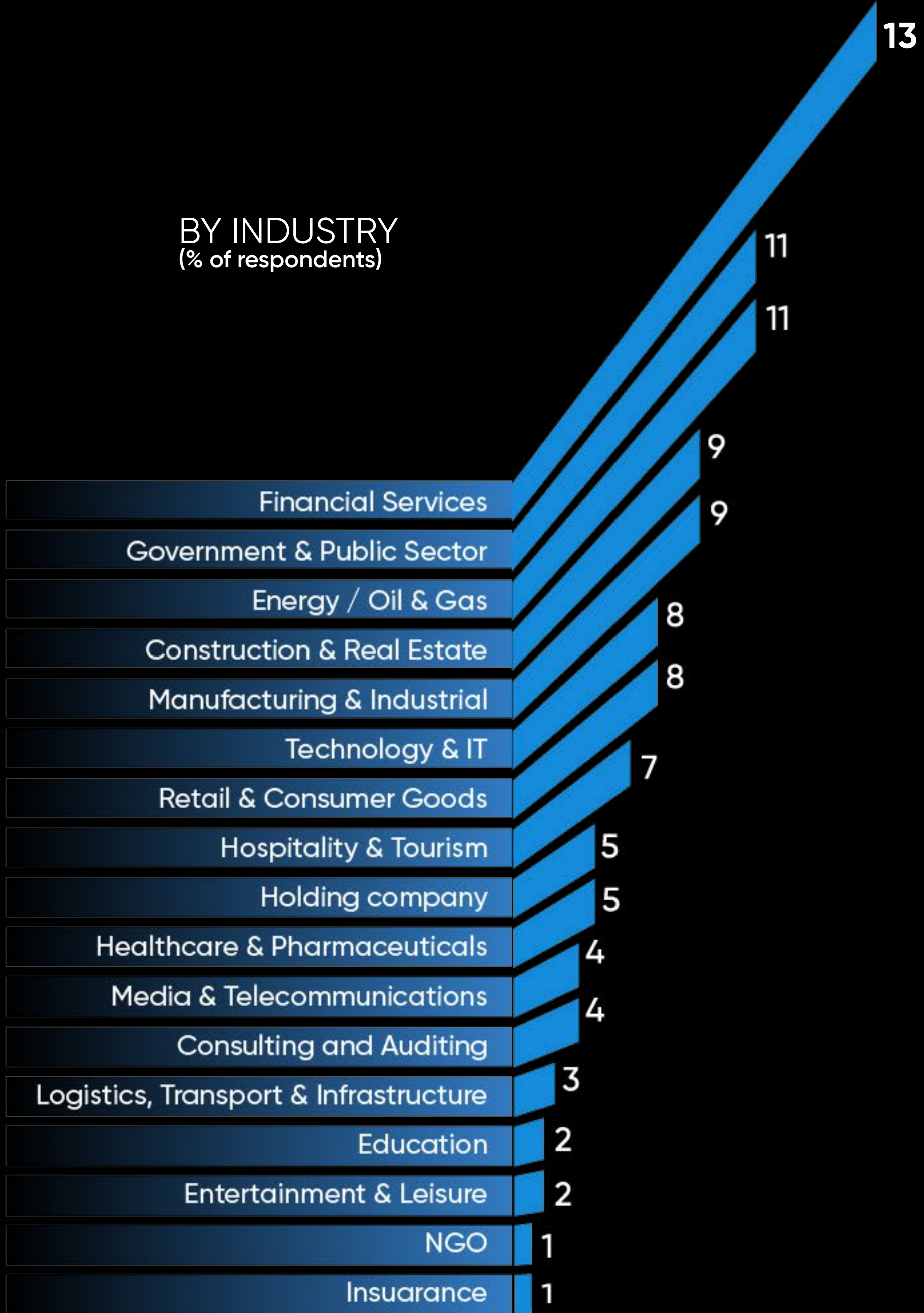
BY COUNTRY (HQ LOCATION)
(% of respondents)



BY COMPANY SIZE
(% of respondents)



BY INDUSTRY
(% of respondents)



IC&C
GULF LANDSCAPE
2025

FUNCTIONIONS
MATURITY
ASSESSMENT

part

Sage Maturity Model

The SAGE Maturity Model is a diagnostic framework developed by the research author to assess the maturity of Internal Communications and Corporate Culture functions:

- Organizations are categorized into four levels based on their performance across four key dimensions
- An organization's overall level is determined by the lowest-performing dimension

4 evaluation dimensions

R – Reach

The percentage of employees reached through Internal Comms/ Culture tools and programs

E – Engagement

The percentage of employees engaging with the tools and programs provided

M – Measurement

Whether the impact of the function is measured

Ef – Effectiveness

The level of effectiveness in achieving the function's goals

S

Started

The function is at an early stage of development. Its impact is either not measured or perceived as ineffective

A

Aligned

The function is taking shape, reaching and engaging up to 40% of employees. Impact is measured, and effectiveness is rated as slightly effective

G

Grounded

The function is well-developed, reaching up to 80% of employees and engaging over 40%. Impact is measured, and effectiveness is moderate

E

Established

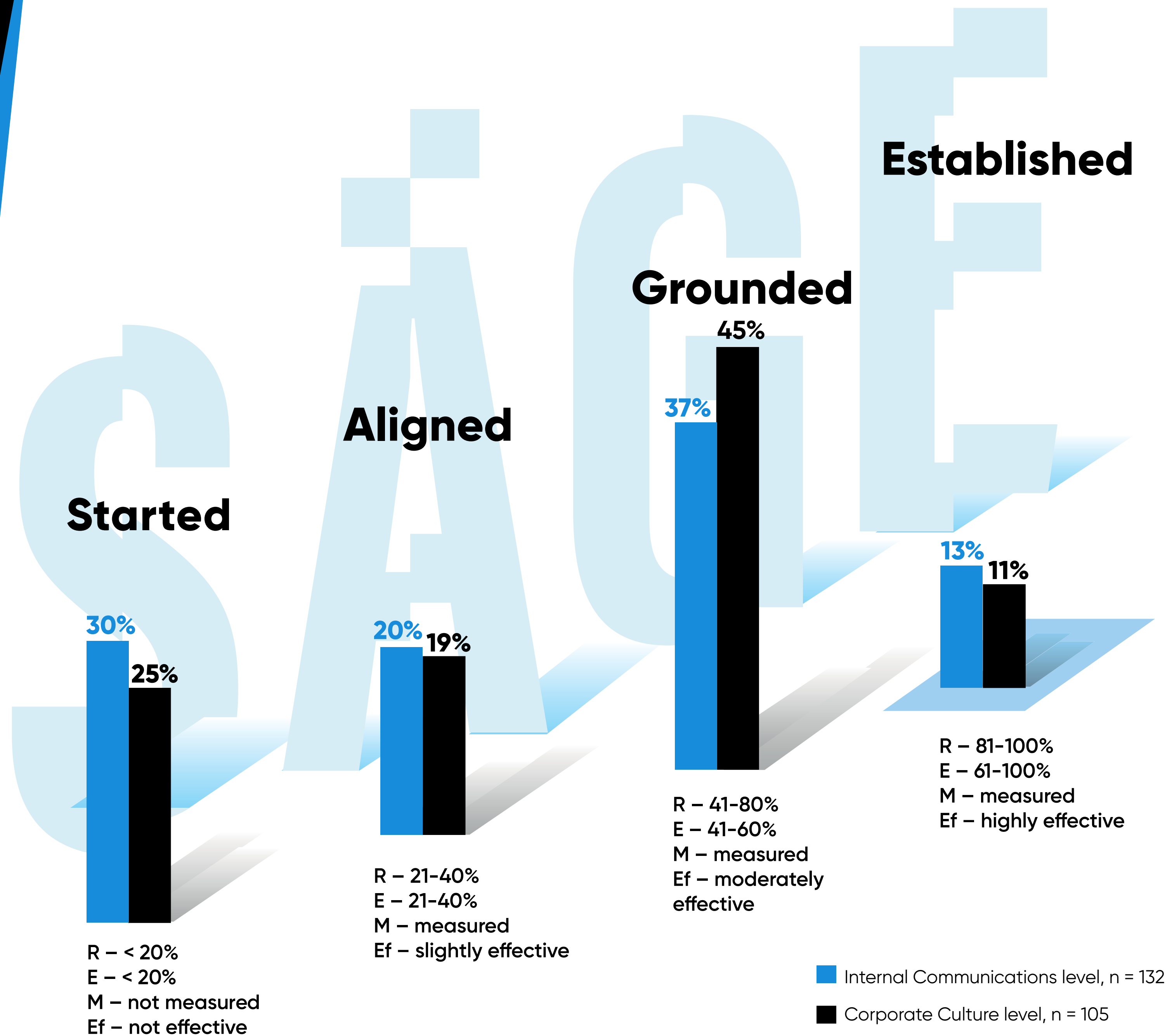
The function is highly developed, reaching nearly all employees and engaging the majority. Its impact is measured, and effectiveness is rated as very high

4 levels of maturity

Internal Communications and Culture Gulf Companies Maturity Level

Maturity levels vary, with most companies in the middle tiers.

Internal Communications and Corporate Culture functions in the Gulf region are most often in the Grounded stage. Only a small share of companies report reaching the Established level. Around one in four companies remain at the initial Started stage.



part

IC&C
GULF LANDSCAPE
2025

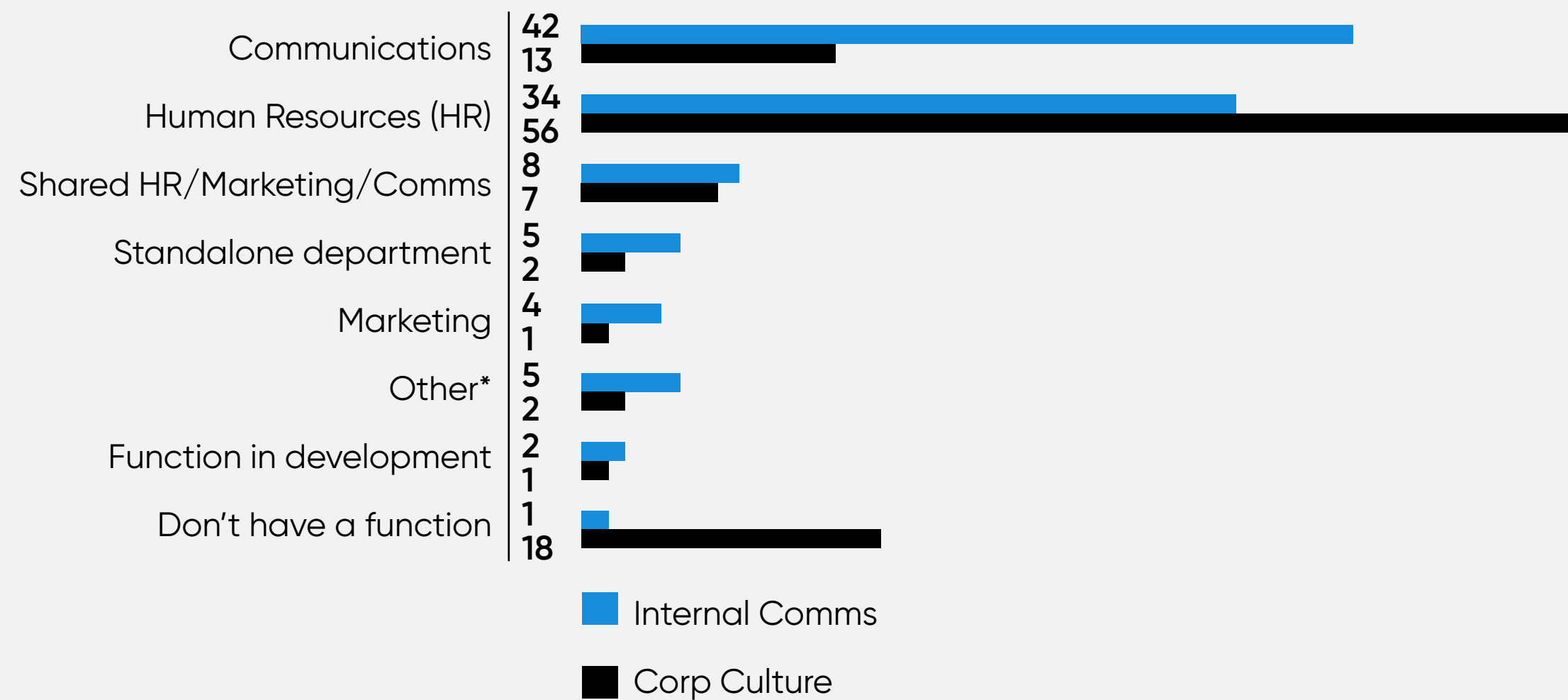
GENERAL
FINDINGS

FUNCTIONS OWNERSHIP AND REPORTING LINES

- **The Internal Communications function is widespread in the Gulf**, with only a small minority (2.3%) of companies lacking it
- **Corporate Culture is less established**, with 1 in 5 companies reporting no formal function
- Internal Communications (IC) functions are most commonly placed under Communications (42%), while Corporate Culture (CC) functions are primarily managed by HR (56%)
- Country-level differences in Internal Communications reporting are visible: in the UAE and Bahrain, IC often sits under Communications, while in Saudi Arabia, Qatar, and Kuwait it more often reports to HR

FUNCTIONS LOCATION IN ORGANIZATIONS

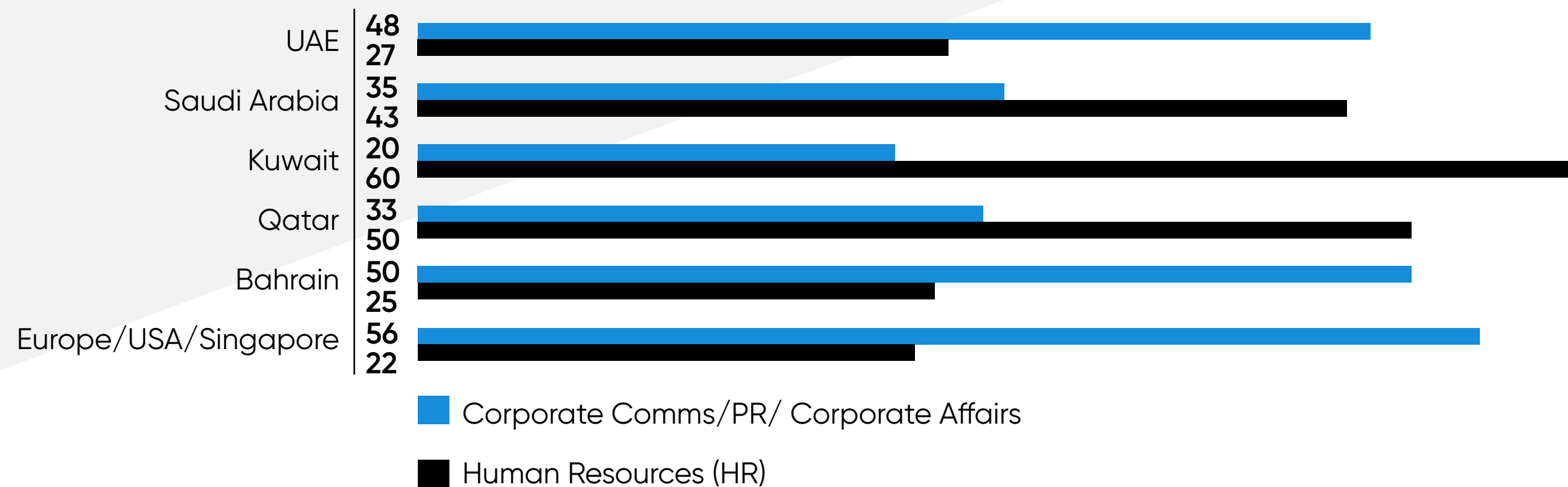
(% of respondents)



98% OF GULF COMPANIES HAVE INTERNAL COMMS FUNCTION

INTERNAL COMMUNICATIONS FUNCTION PLACEMENT BY COUNTRY**

(% of respondents per country)



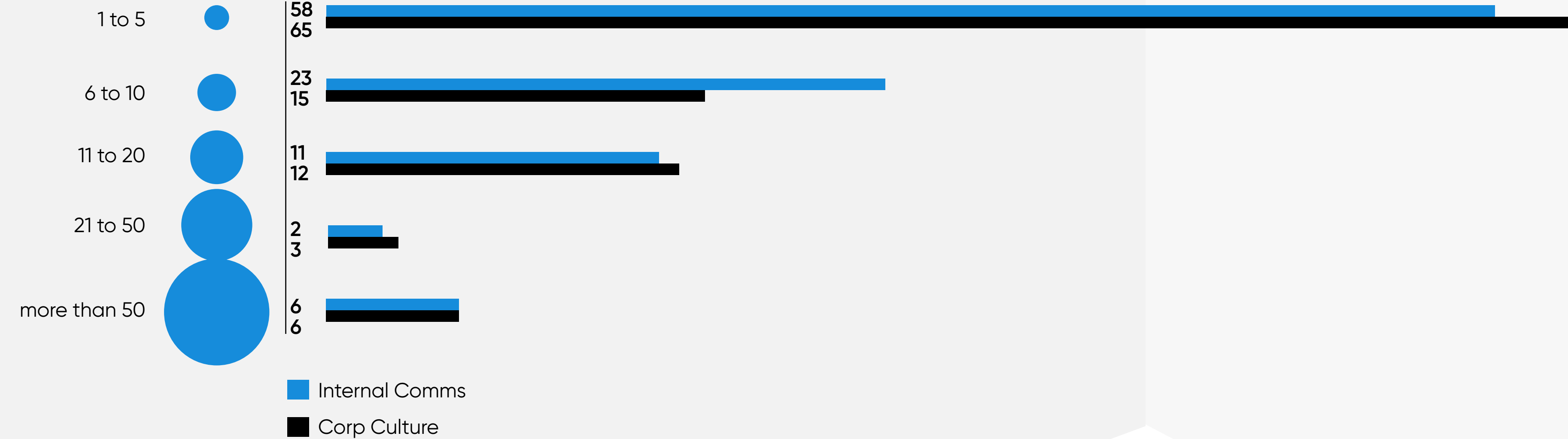
* Strategy/ Support / Transformation departments
 ** Oman companies reported the location of the functions in other departments than those demonstrated on the bar

FUNCTIONS SIZE

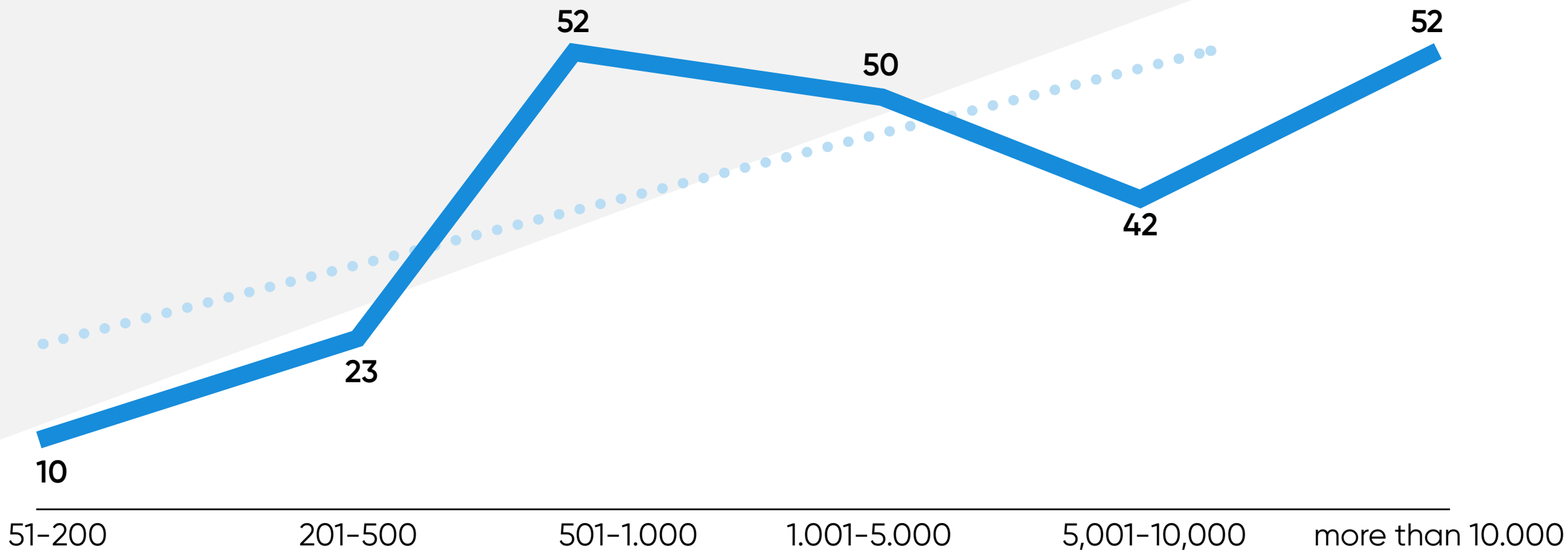
Larger companies allocate more resources to Internal Communications.

- Team size scales with company size:
 - Among companies with up to 200 employees, 90% report IC teams of 1-5 people
 - Starting from 500 employees, nearly half have expanded IC teams beyond 5 people
- Corporate Culture teams show a similar pattern, though less consistently

TEAM SIZE BY FUNCTION (% of respondents)



INTERNAL COMMUNICATIONS TEAMS LARGER THAN 5 PEOPLE BY COMPANY SIZE (% of respondents)



GOALS OF INTERNAL COMMUNICATIONS

Internal communication is seen as a driver of clarity and alignment.

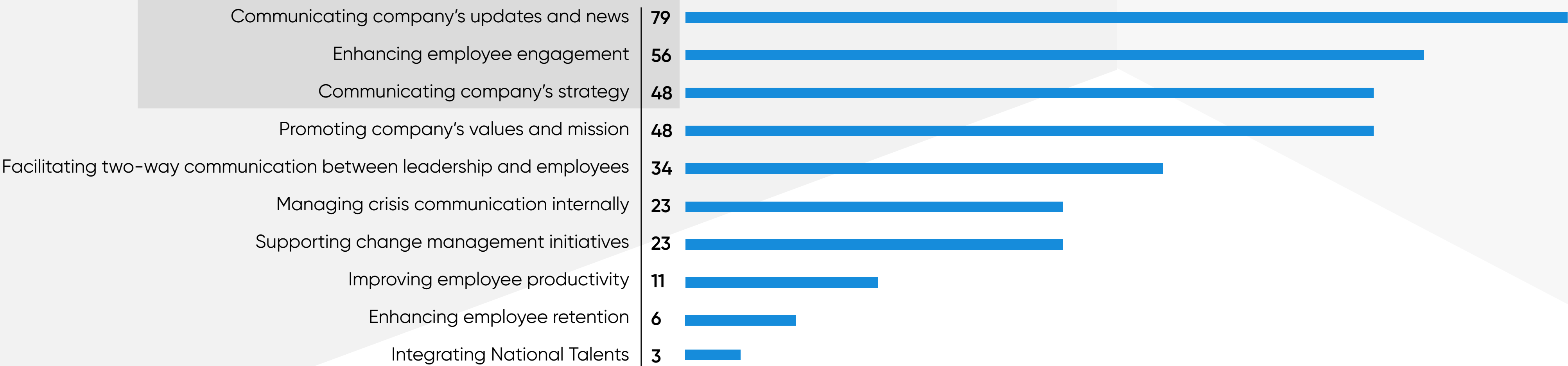
- Top goals—communicating updates (79%), enhancing engagement (56%), and promoting strategy, values and mission (48%)—reflect a strong focus on keeping employees informed and aligned with business direction
- In most industries, these three priorities are consistent. In a few sectors, such as Logistics, Transport & Infrastructure, and Consulting & Auditing, supporting change management replaces values and mission among the top three



QUESTION: WHAT ARE THE PRIMARY GOALS OF YOUR INTERNAL COMMUNICATIONS FUNCTION?

COMMUNICATING UPDATES IS THE #1 GOAL OF INTERNAL COMMS, CHOSEN BY **79%** OF COMPANIES

TOP INTERNAL COMMUNICATIONS GOALS (% of respondents)



Note: Respondents could select up to 3 options (n = 132)

GOALS OF CORPORATE CULTURE

Corporate Culture goals blend alignment and environment.

- While both IC and CC functions aim to drive engagement and align values, Corporate Culture puts more weight on the overall work climate, such as fostering a positive work environment (59%)

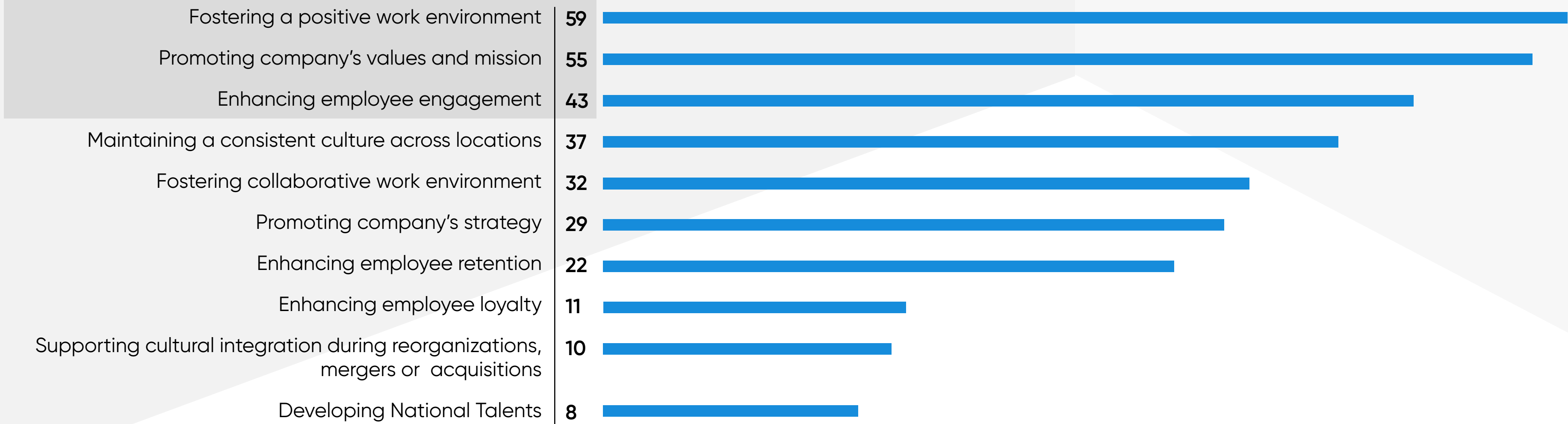
Corporate Culture goals vary by company size.

- Smaller companies with fewer than 1,000 employees prioritize tactical goals like collaboration, retention, and strategy. In larger organizations, attention shifts toward broader themes, such as work climate and shared values

QUESTION: WHAT ARE THE PRIMARY GOALS OF YOUR CORPORATE CULTURE FUNCTION?

CORPORATE CULTURE IS SEEN MORE AS SHAPING EMOTIONS AND BEHAVIOR

TOP CORPORATE CULTURE GOALS
(% of respondents)



Note: Respondents could select up to 3 options (n = 109)

TOOLS OF INTERNAL COMMUNICATIONS

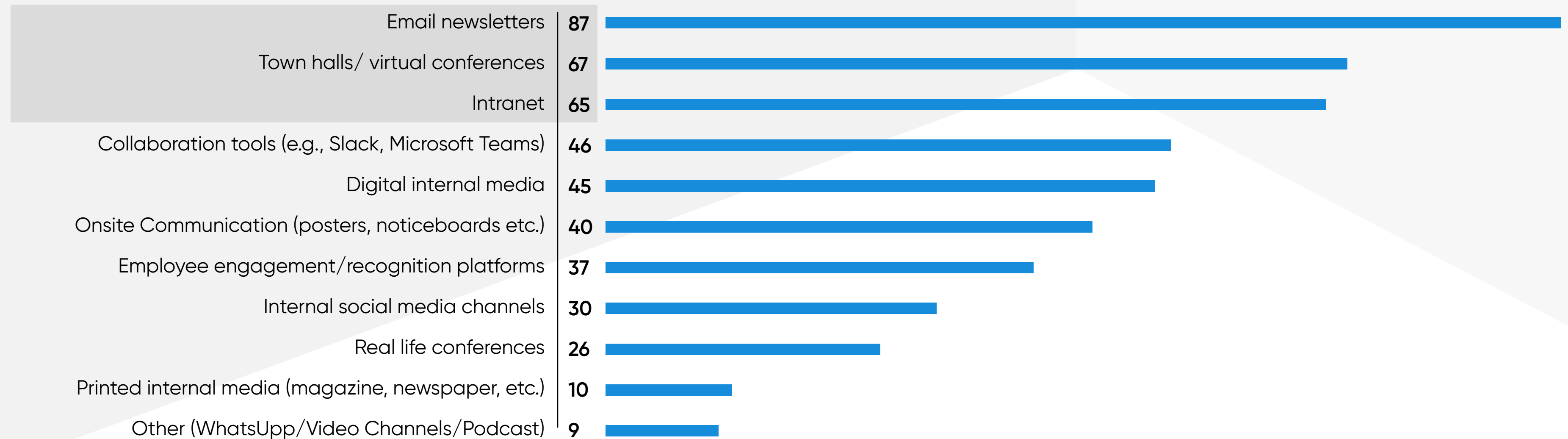
Traditional channels remain dominant, while digital and social tools lag behind.

- Email newsletters (87%), town halls (67%), and intranet (65%) are the most widely used internal communication tools, showing a clear reliance on traditional, top-down channels
- Meanwhile, newer formats like internal social media (30%) and video/podcast channels (9%) are far less common, highlighting a limited shift toward more interactive or segmented communication approaches

QUESTION: WHICH TOOLS DO YOU CURRENTLY USE FOR INTERNAL COMMUNICATIONS?

EMAIL REMAINS THE LEADING INTERNAL COMMS TOOL, USED BY **87%** OF COMPANIES.

TOP INTERNAL COMMUNICATIONS TOOLS USED (% of respondents)



Note: Respondents could select multiple answers (n = 132)

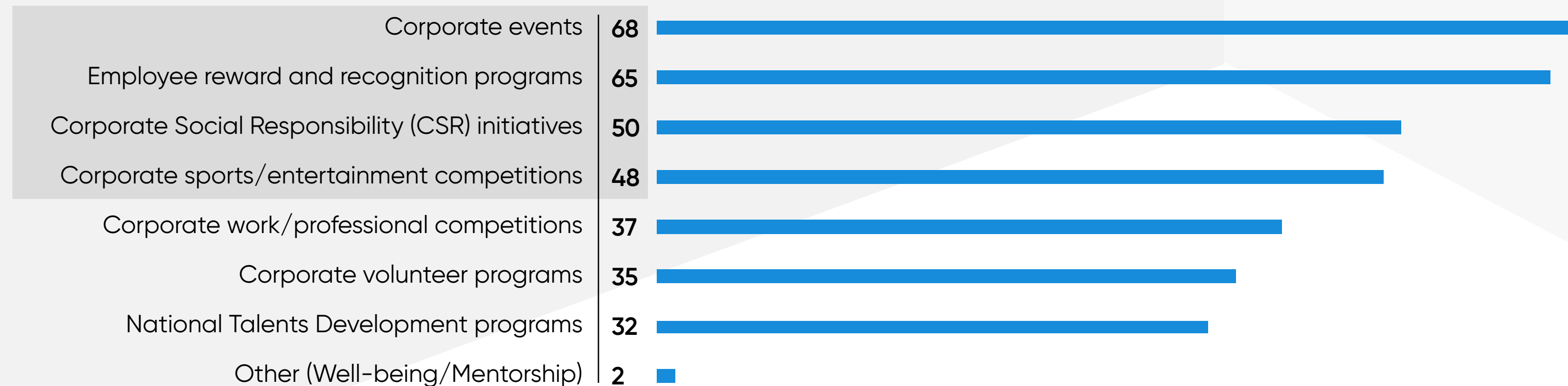
TOOLS OF CORPORATE CULTURE

Corporate culture relies heavily on events and recognition.

- Corporate events (68%) and employee reward and recognition programs (65%) are the most common tools used to shape corporate culture
- However, **35% of companies still don't use any recognition programs**, potentially underestimating their impact on engagement and performance
- Broader tools like CSR initiatives and internal competitions are also widely adopted

QUESTION: WHICH PROGRAMS ARE CURRENTLY PART OF YOUR CORPORATE CULTURE INITIATIVES?

TOP CORPORATE CULTURE TOOLS USED (% of respondents)



Note: Respondents could select multiple answers (n = 109)

RECOGNITION IS KEY, YET **35%** OF GULF COMPANIES STILL DON'T USE ANY REWARD PROGRAMS

REACH AND ENGAGEMENT IN INTERNAL COMMS AND CULTURE

Reaching employees is only half the job—engagement is the real challenge.

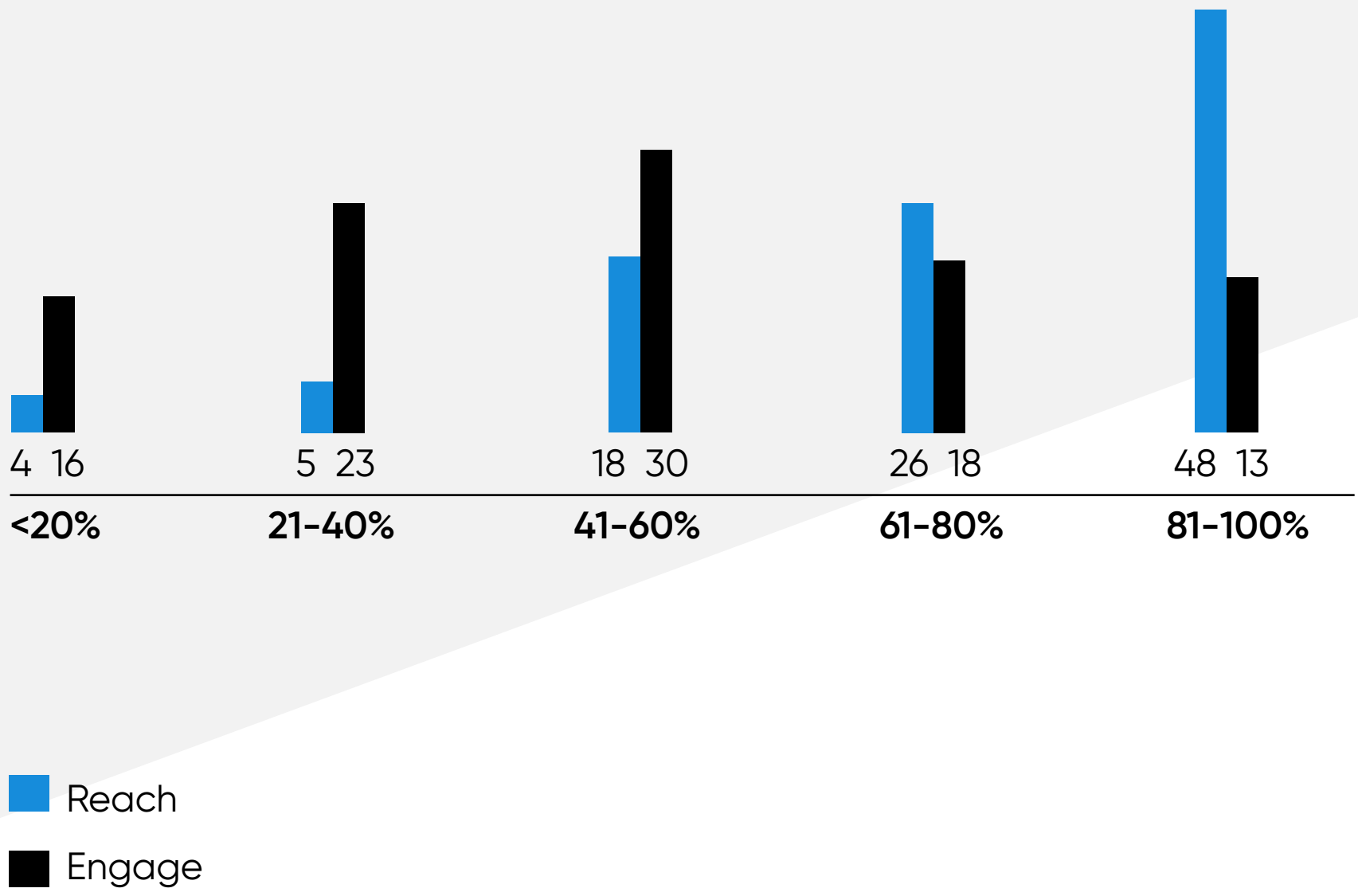
- Nearly half of organizations (48%) reach 81–100% of employees through IC tools, yet only 13% achieve this level of engagement. The same pattern holds for Culture tools, where reach consistently outpaces engagement

Internal Communications tools reach further than Culture initiatives.

- While 74% of companies say their Internal Communications reach 61–100% of employees, only 57% report the same for Corporate Culture initiatives

QUESTION: WHAT PERCENTAGE OF YOUR OVERALL WORKFORCE IS REACHED THROUGH YOUR INTERNAL COMMUNICATIONS TOOLS? WHAT PERCENTAGE OF THE REACHED WORKFORCE ENGAGES WITH INTERNAL COMMUNICATIONS TOOLS REGULARLY?

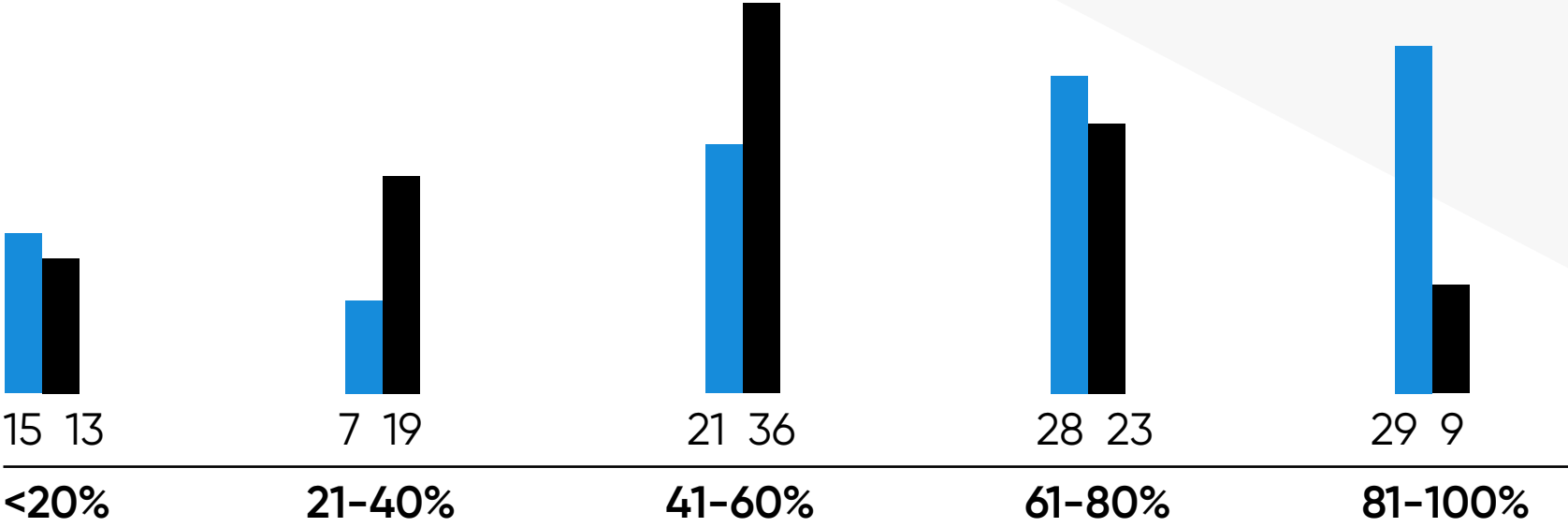
REACH AND ENGAGEMENT IN INTERNAL COMMUNICATIONS (% of respondents)



REACHING EMPLOYEES IS EASY. KEEPING THEM ENGAGED ISN'T

QUESTION: WHAT PERCENTAGE OF YOUR OVERALL WORKFORCE IS REACHED WITH CORPORATE CULTURE INITIATIVES? WHAT PERCENTAGE OF REACHED EMPLOYEES PARTICIPATE IN CORPORATE CULTURE PROGRAMS?

REACH AND ENGAGEMENT IN CORPORATE CULTURE (% of respondents)



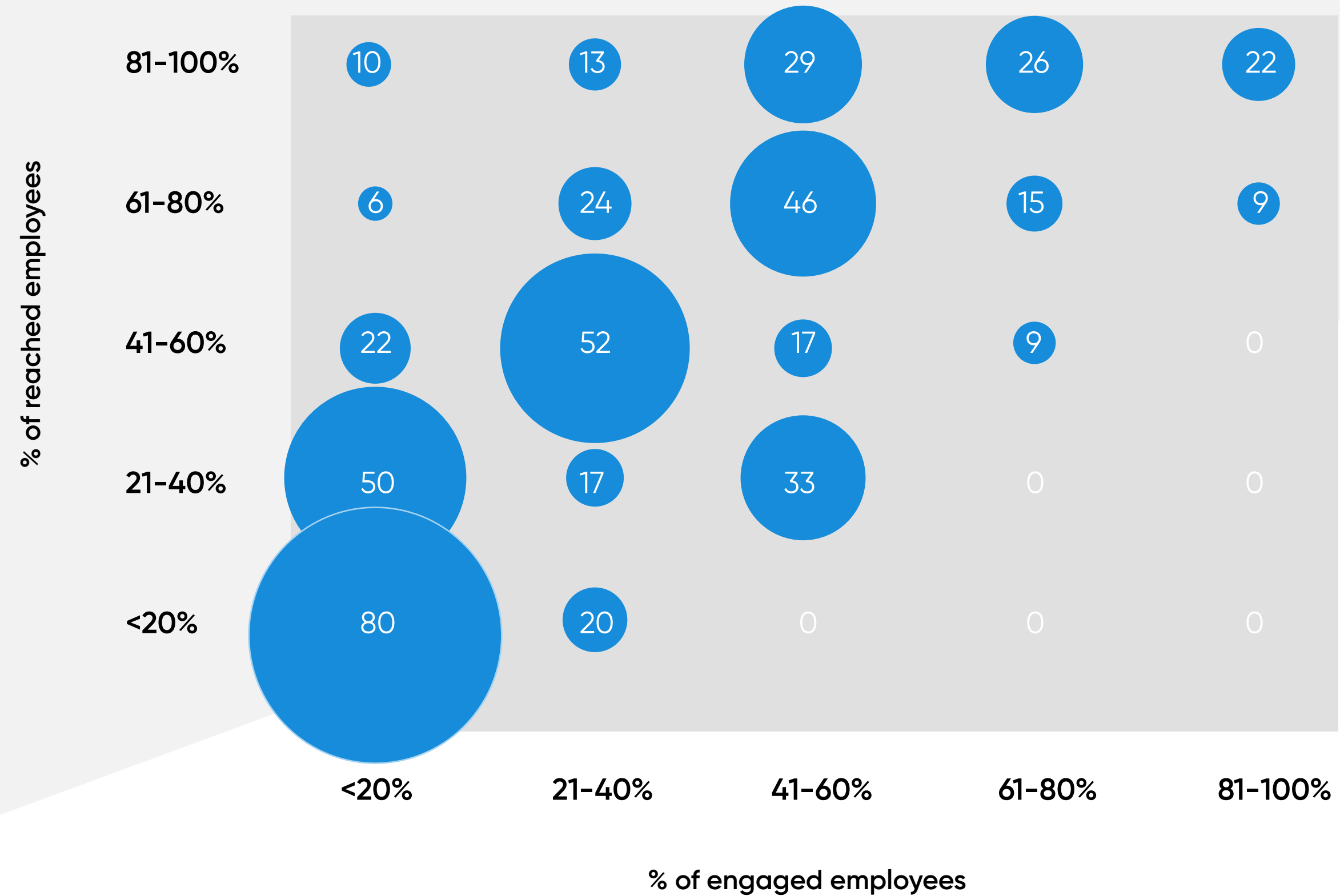
REACH AND ENGAGEMENT GAP

A higher communication reach does not always guarantee top-tier engagement, but low reach almost always correlates with low engagement.

- Even among companies that reach over 80% of their workforce, only 22% report employee engagement at the same level. And 52% of them engage less than 60% of their personnel

HIGH REACH, LOW ENGAGEMENT:
52% OF COMPANIES FACE THIS DISCONNECT

OVERLAP OF REACH AND ENGAGEMENT LEVELS IN INTERNAL COMMUNICATIONS
 (% of respondents)



MEASUREMENT OF INTERNAL COMMUNICATIONS AND CULTURE

Measurement practices vary, and gaps remain.

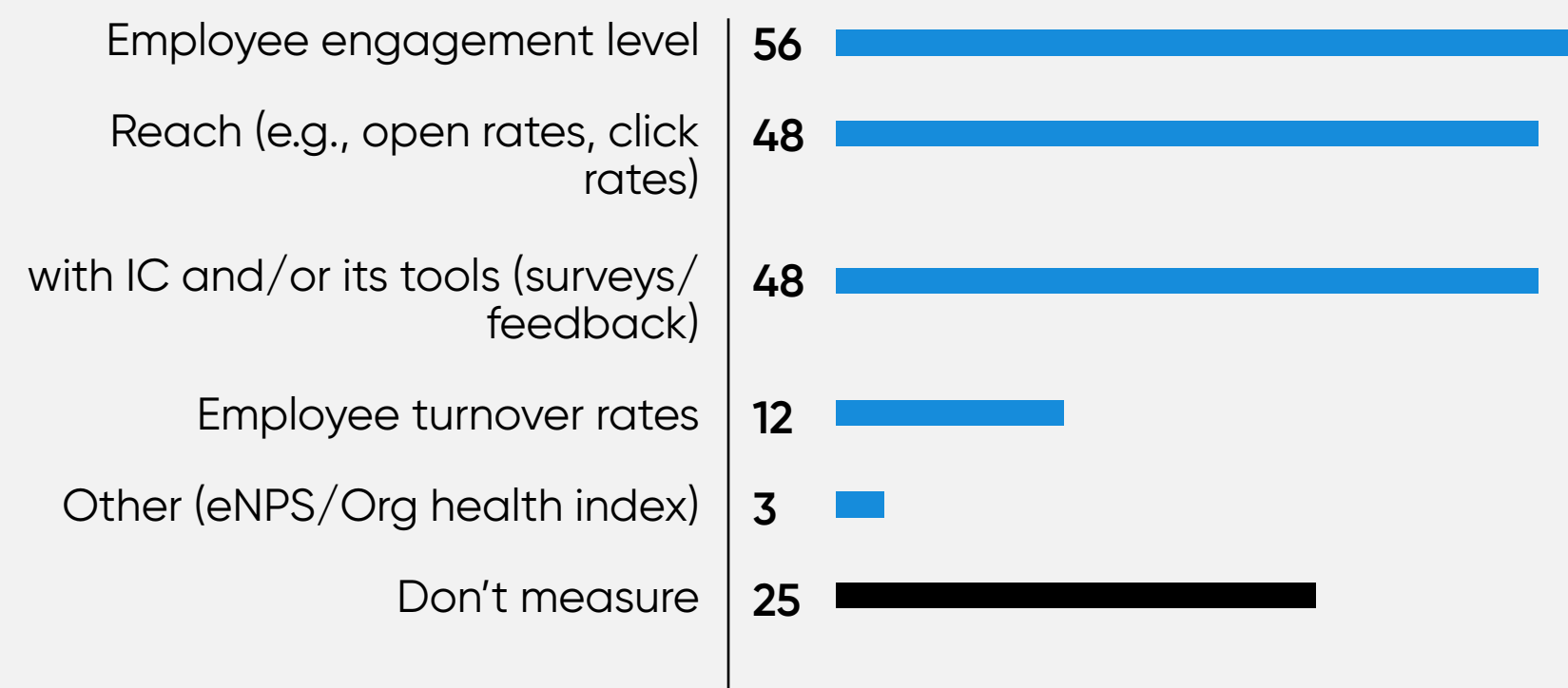
- One in four companies does not measure the impact of internal communications
- Even among those who define employee engagement as a core goal, only 65% actually track engagement metrics

Corporate Culture is measured slightly more often than Internal Communications (81% vs. 75%).

- Turnover is also more commonly associated with culture (28%) than internal comms (12%), reinforcing the perception that culture has a greater influence on long-term employee outcomes

QUESTION: HOW DO YOU MEASURE THE EFFECTIVENESS OF INTERNAL COMMUNICATIONS?

INTERNAL COMMUNICATIONS MEASUREMENT (% of respondents)

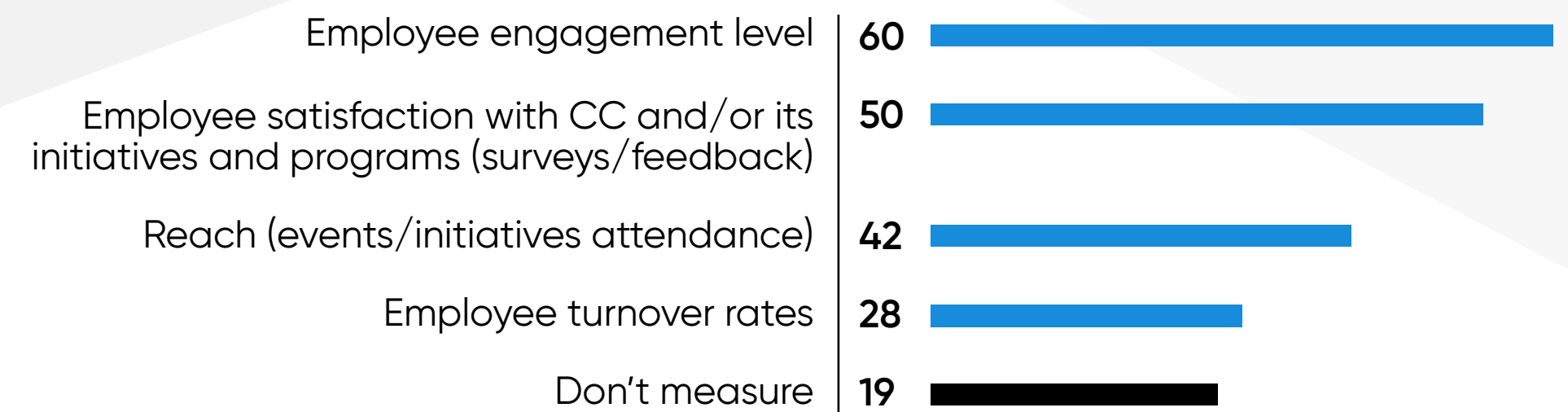


Note: Respondents could select multiple answers (n = 132)

ONE IN FOUR COMPANIES DOESN'T MEASURE INTERNAL COMMS AT ALL

QUESTION: HOW DO YOU MEASURE THE EFFECTIVENESS OF CORPORATE CULTURE?

CORPORATE CULTURE MEASUREMENT (% of respondents)



Note: Respondents could select multiple answers (n = 109)

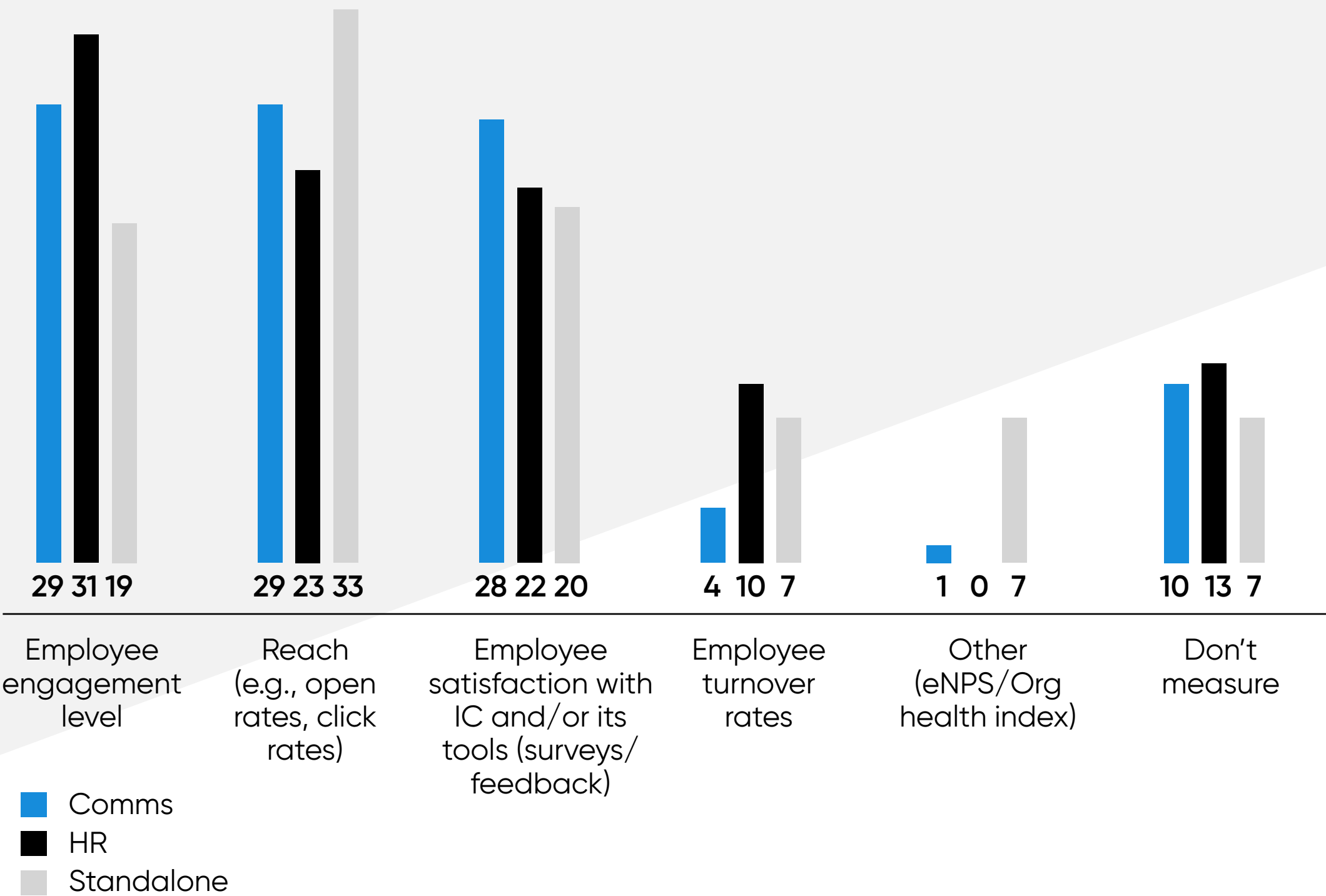
MEASUREMENT OF INTERNAL COMMUNICATIONS BY FUNCTION

OWNERSHIP SHAPES MEASUREMENT.
COMMS TEAMS PRIORITIZE COMMUNICATION METRICS.
HR TEAMS PRIORITIZE PEOPLE METRICS

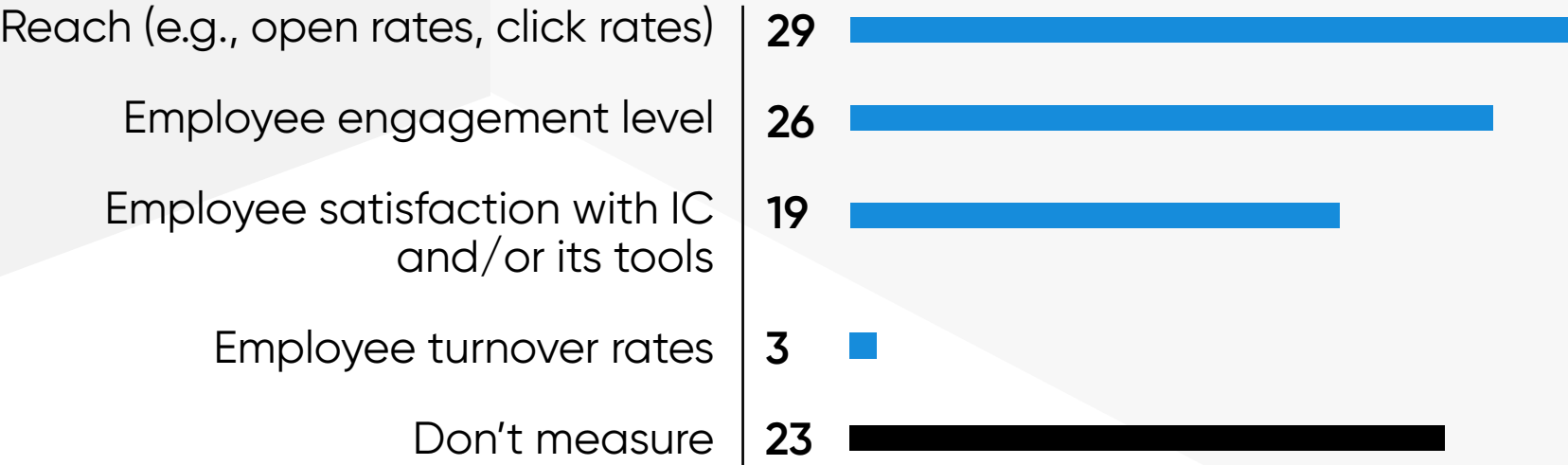
Internal Communications measurement approaches vary by function ownership.

- Communications-led functions are more likely to track reach (+6%) and satisfaction through dedicated tools (+6%) – both typically associated with communication performance
- HR-led teams, in contrast, favor metrics linked to people outcomes, such as turnover (+6%) and engagement (+2%)
- In addition, among companies that listed impact measurement as one of their top internal communication challenges, 23% don't measure impact at all, highlighting a significant execution gap

IC MEASUREMENT METRICS BY FUNCTION OWNERSHIP
 (% of companies with the IC function located in represented departments)



METRICS USED BY COMPANIES THAT IDENTIFY "MEASURE IMPACT" AS A CHALLENGE
 (% of respondents)



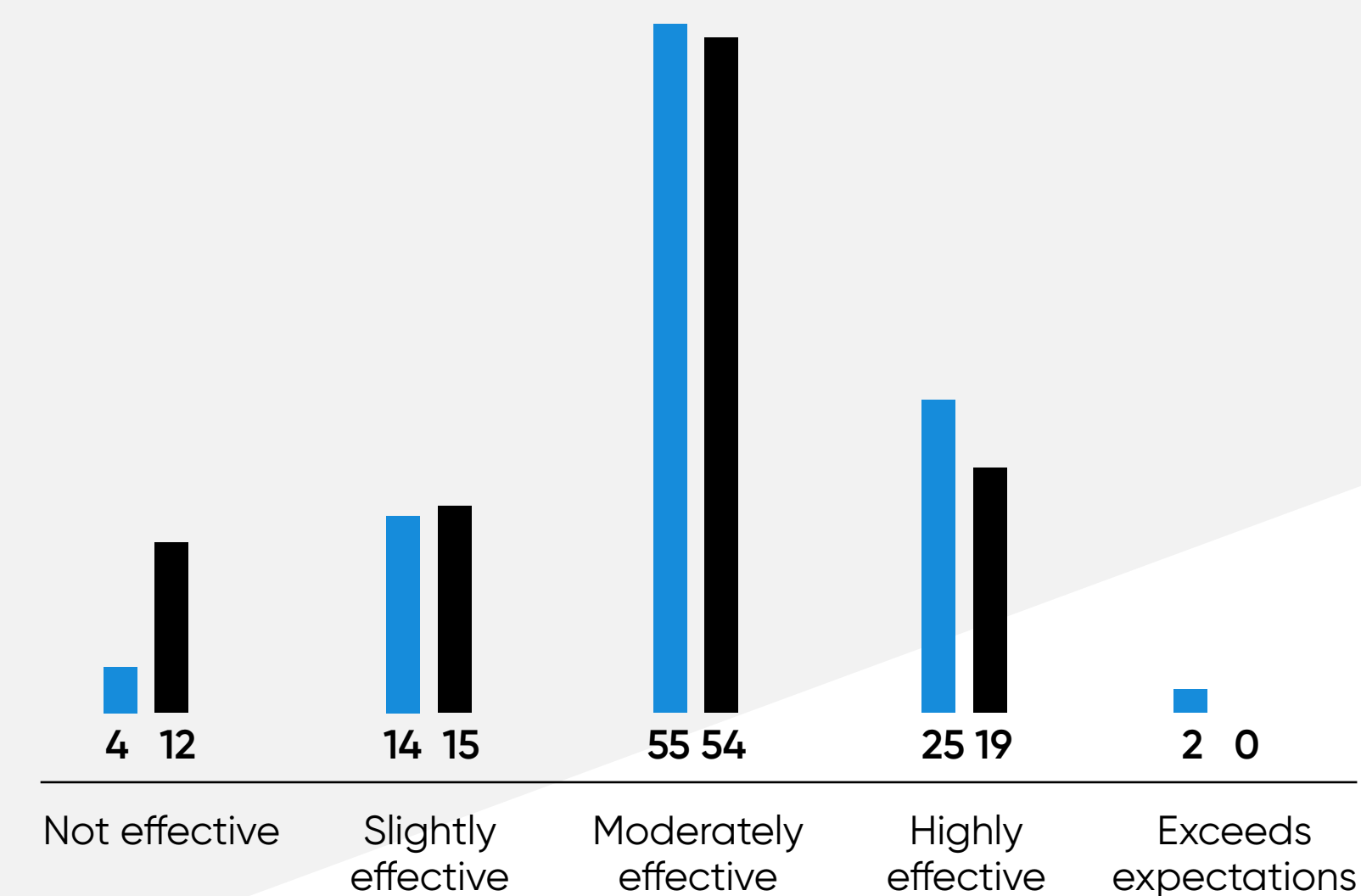
PERCEIVED EFFECTIVENESS OF INTERNAL COMMUNICATIONS AND CORPORATE CULTURE

More than half of the Gulf companies rate Internal Communications and Corporate Culture as effective functions.

- Internal Communications are rated more effective than Corporate Culture. 27% of companies rate their internal communications as highly effective or exceeding expectations, compared to only 19% for corporate culture initiatives
- Companies that don't measure impact tend to rate both functions lower. Among organizations without measurement practices, the majority rate their functions as only slightly or moderately effective, with no respondents selecting the highest effectiveness category

QUESTION: HOW WOULD YOU ASSESS THE EFFECTIVENESS OF YOUR INTERNAL COMMUNICATIONS FUNCTION IN ACHIEVING ITS GOALS? HOW WOULD YOU ASSESS THE EFFECTIVENESS OF YOUR CORPORATE CULTURE FUNCTION IN ACHIEVING ITS GOALS?

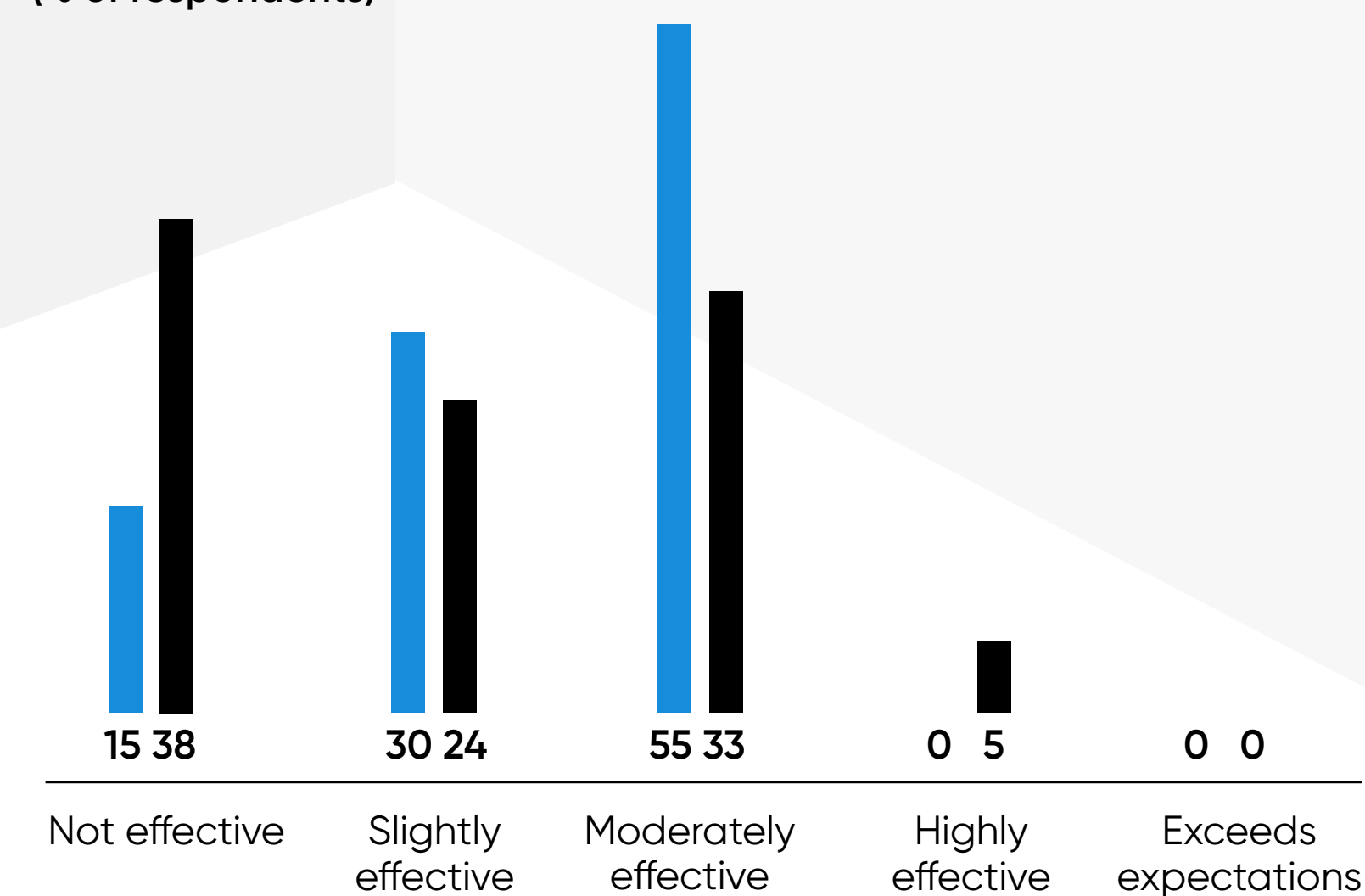
PERCEIVED EFFECTIVENESS OF IC AND CC FUNCTIONS (% of respondents)



■ Internal Communications
■ Corporate Culture

27% OF COMPANIES CALL IC "HIGHLY EFFECTIVE" OR BETTER, VS. 19% FOR CULTURE

PERCEIVED IC EFFECTIVENESS FROM COMPANIES THAT DON'T MEASURE IMPACT (% of respondents)



ORGANIZATIONS THAT SKIP MEASUREMENT RARELY SEE TOP EFFECTIVENESS

PERCEIVED EFFECTIVENESS OF INTERNAL COMMUNICATIONS AND CORPORATE CULTURE BY FUNCTION OWNERSHIP

Ownership influences perceived effectiveness, most visibly for Internal Communications.

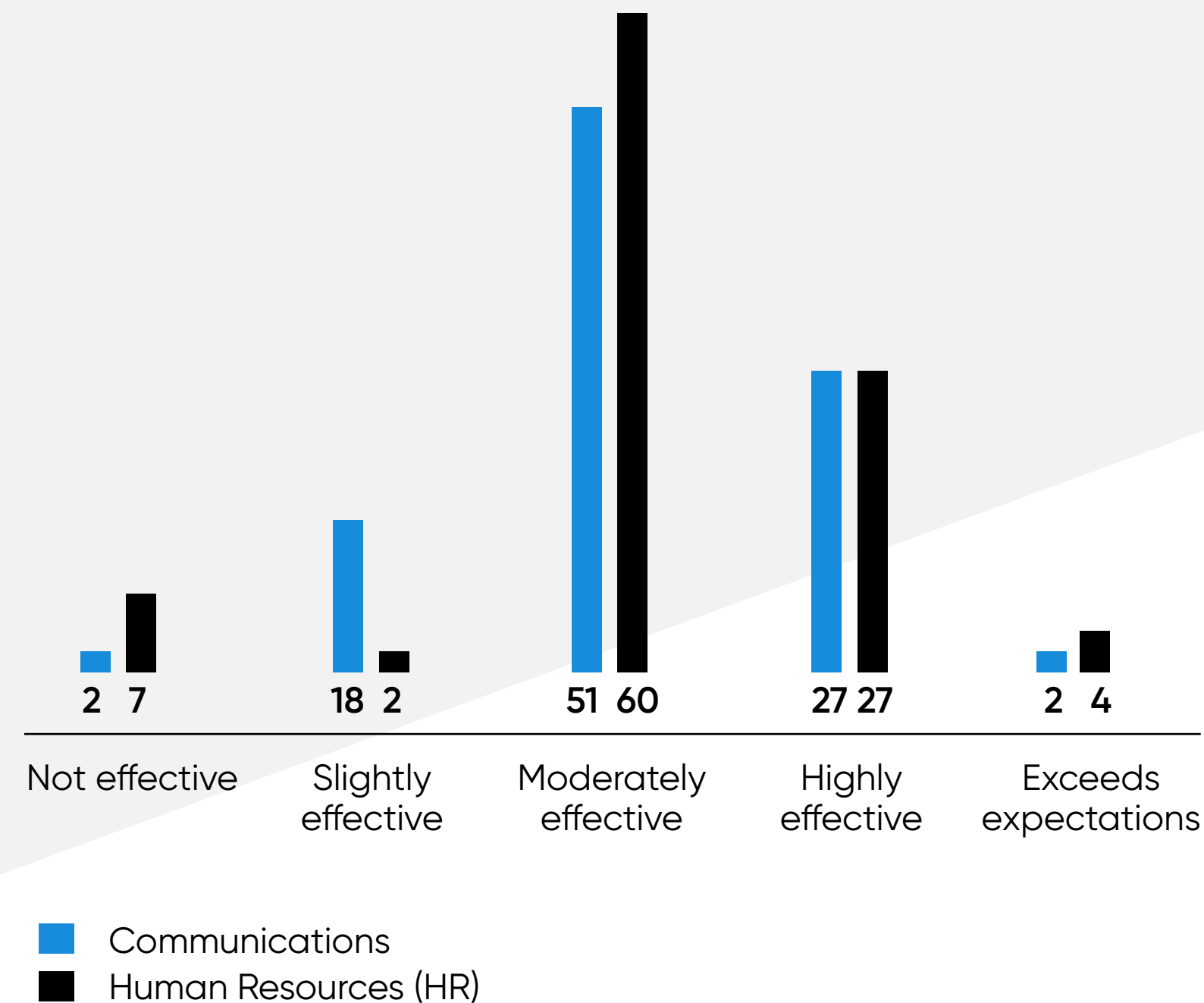
- 80% of companies with IC functions under Communications rate them as moderately to highly effective, compared to 91% under HR
- “Slightly effective” ratings are far more common under Communications ownership (18% vs. 2% for HR), while “not effective” appears mostly under HR (7% vs. only 2% for Communications)

For Corporate Culture, the pattern reverses.

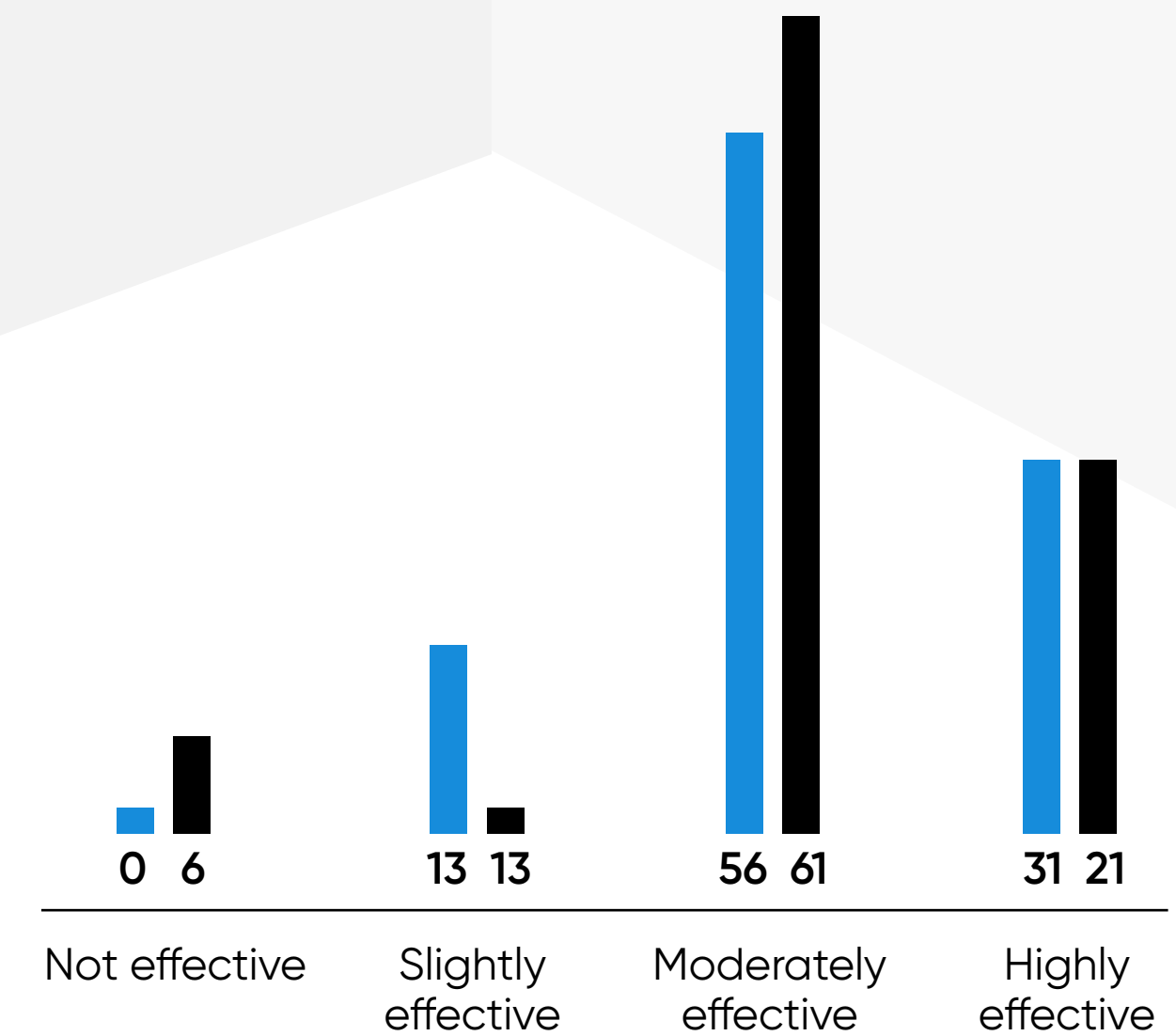
- When Corporate Culture sits under Communications, companies rate it more effective – 88% vs. 82% under HR

OWNERSHIP SHAPES PERCEIVED EFFECTIVENESS. HR SEES IC AS MORE EFFECTIVE, COMMS SEES CULTURE AS STRONGEST

PERCEIVED IC EFFECTIVENESS BY FUNCTION OWNERSHIP
(% of companies with the IC function located in represented departments)



PERCEIVED CC EFFECTIVENESS BY FUNCTION OWNERSHIP
(% of companies with the CC function located in represented departments)



CHALLENGES OF INTERNAL COMMUNICATIONS

Internal Communication teams face practical barriers to fulfilling their core role.

- The most common challenge cited by nearly half of the respondents is gathering updates from across the organization, despite “communicating updates” being the top stated goal of the function
- Additional challenges include measuring impact (28%) and enabling two-way communication (27%), pointing to persistent difficulties in both content access and strategic execution
- Responses beyond the top three are widely dispersed, suggesting company-specific contexts and priorities

Challenges of Internal Communications vary by operational context.

- In industries with a highly distributed workforce, such as Energy, Hospitality, Retail, and Transport, “Reaching all categories of employees” is among the top internal communication challenges, highlighting the complexity of message delivery in dispersed environments.

QUESTION: WHAT ARE THE MAIN CHALLENGES YOUR INTERNAL COMMUNICATIONS FUNCTION FACES?

TOP INTERNAL COMMUNICATIONS CHALLENGES (% of respondents)



“COMMUNICATING UPDATES” IS THE TOP IC GOAL, YET ALSO ITS TOP CHALLENGE (46%)

Note: Respondents could select up to 3 options (n = 132)

CHALLENGES OF CORPORATE CULTURE

QUESTION: WHAT ARE THE MAIN CHALLENGES YOUR CORPORATE CULTURE FUNCTION FACES?

Most companies struggle to manage culture intentionally.

- The most cited challenge, reported by 38%, is maintaining a consistent culture across locations, followed by aligning culture efforts with company strategy. Taken together, the top challenges indicate a lack of cohesion and direction: many companies don't yet know how to align their culture with goals or how to operationalize it at scale
- The rest of the responses are more fragmented, reflecting varied levels of cultural maturity across organizations

TOP CORPORATE CULTURE CHALLENGES (% of respondents)



38% GULF COMPANIES STRUGGLE TO MAINTAIN A CONSISTENT CULTURE ACROSS LOCATIONS—THE #1 CULTURE CHALLENGE

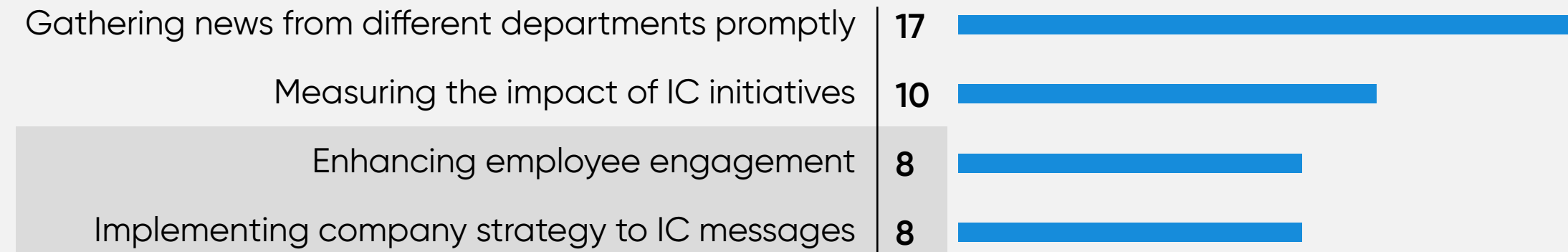
Note: Respondents could select up to 3 options (n = 109)

CHALLENGES OF INTERNAL COMMUNICATIONS BY INDUSTRY AND FUNCTION OWNERSHIP

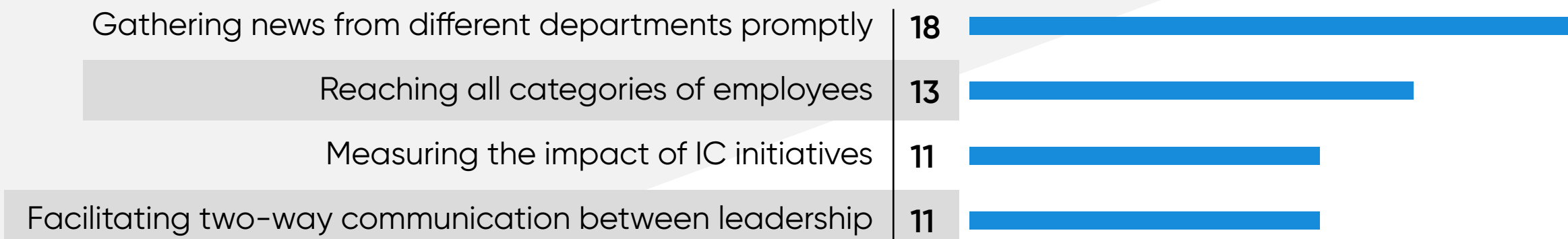
Comparing functional ownership reveals a different pattern:

- For communications teams, one of the most cited challenges is employee engagement and implementing strategy to internal messages
- In contrast, HR-led functions more often struggle with reaching all categories of employees and facilitating two-way communication
- Notably, measuring the impact of internal communication initiatives ranks as a shared challenge for both groups

TOP IC CHALLENGES FOR COMMS-LED FUNCTIONS (% of companies with the IC function located in Comms)



TOP IC CHALLENGES FOR HR-LED FUNCTIONS (% of companies with the IC function located in HR)



OWNERSHIP SHAPES CHALLENGES TOO: COMMS-LED TEAMS CITE DELIVERY, HR-LED ONES CITE REACH

NEEDED IMPROVEMENTS IN INTERNAL COMMUNICATIONS

Top-down channels dominate, but struggle to deliver value.

- One in three companies sees their IC channels as the top area for improvement, often describing them as outdated, one-directional, or difficult to use

Strategy must connect better to business operations.

- Respondents often cite the need to align internal communication more closely with business strategy

Leadership involvement and measurement are equally pressing

- 12% of companies are concerned about limited leadership presence in communication efforts and insufficient data to evaluate impact

QUESTION: WHICH AREAS DO YOU BELIEVE NEED THE MOST IMPROVEMENT OR INNOVATION IN YOUR COMPANY'S COMMUNICATION STRATEGY?

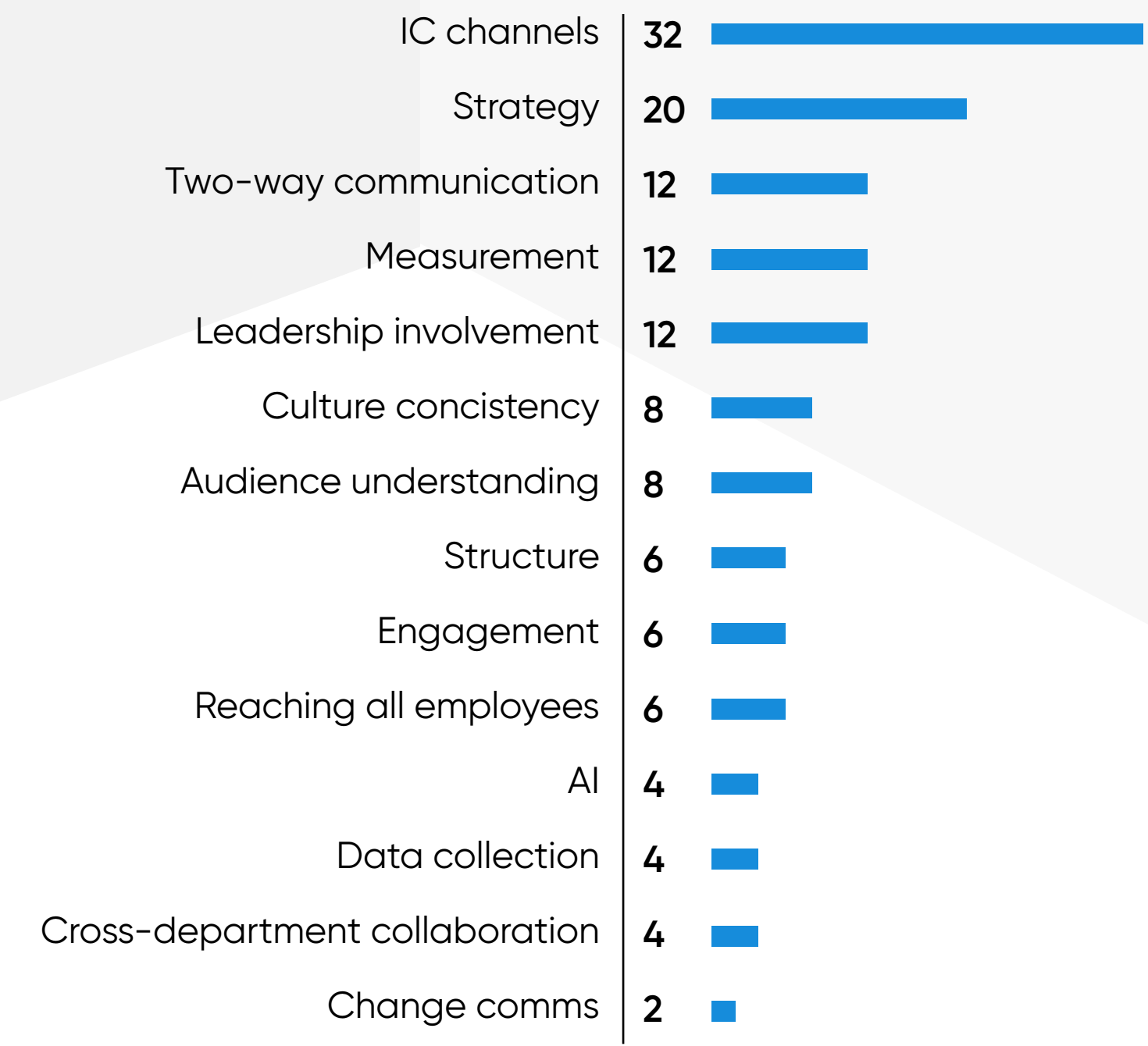
“Company communication focuses on the overall strategy without trying to connect the dots and show how each team is contributing to the overall mission”

“Engaging frontline employees”

“Almost 40% of our staff face challenges in staying informed due to a lack of knowledge on how to use our existing applications”

“Our channels allow colleagues to receive information, not respond”

TOP AREAS FOR NEEDED IMPROVEMENTS (%of respondents)



Note: Open-ended question (n = 87)

PRIORITIES OF INTERNAL COMMUNICATIONS AND CULTURE



QUESTION: WHAT WILL BE THE PRIMARY FOCUS OF YOUR INTERNAL COMMUNICATIONS AND CORPORATE CULTURE EFFORTS IN THE UPCOMING YEAR?

Strategy remains the top focus.

- One-third of respondents plan to build or revisit their internal communications or culture strategies—often in response to major changes like mergers, restructuring, or shifting business priorities

Engagement comes into sharper focus.

- Improving employee engagement is the second most common priority, with companies emphasizing the need to tailor communication by audience segment, simplify messaging, and build clearer structures

AI, structure, and leadership are rising themes.

- Respondents highlight growing attention to leadership visibility, use of AI in processes and messaging, and the need to develop skilled teams and internal transparency mechanisms

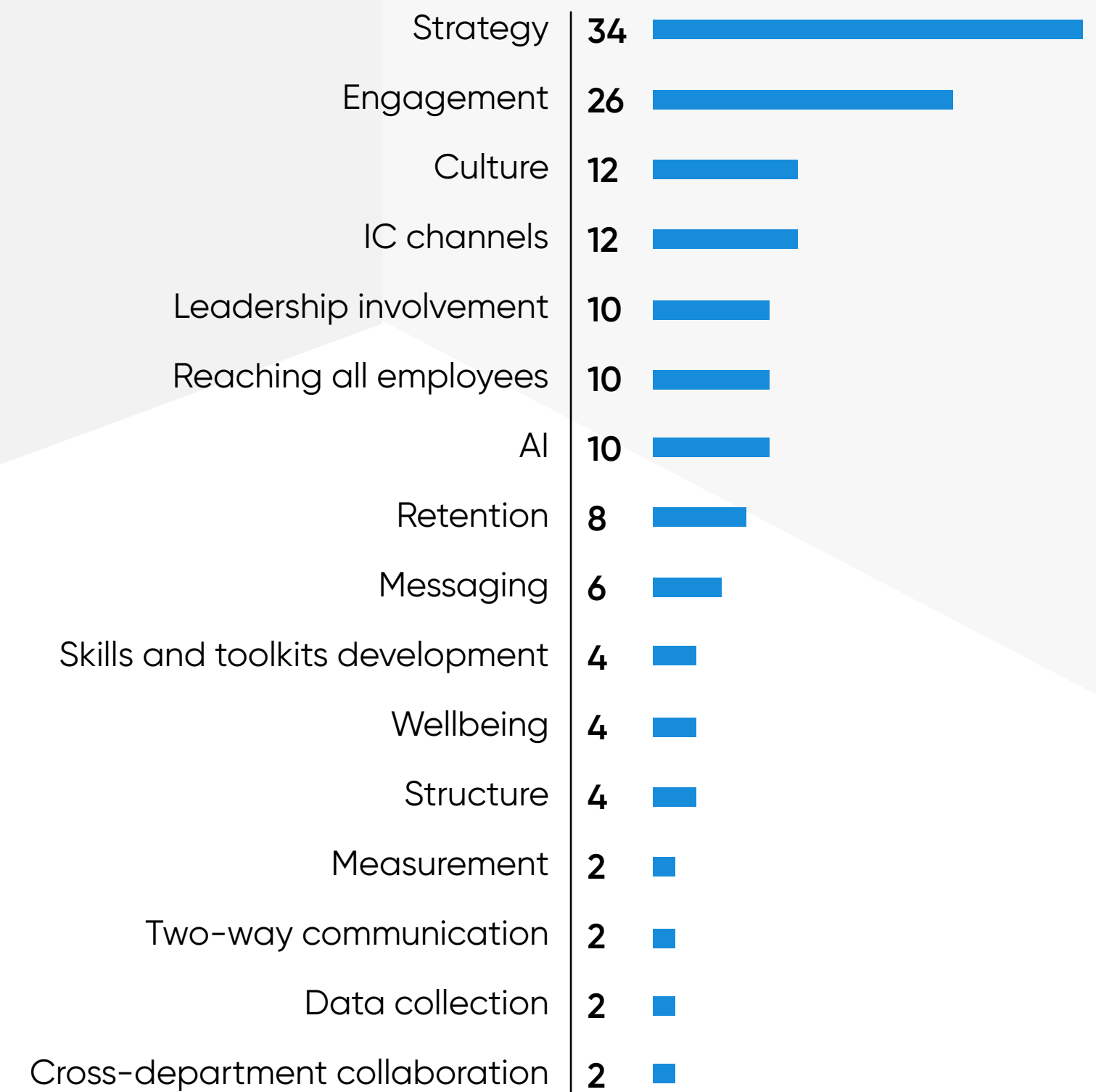
“Building an IC team and a clear structure”

“Trying to link what the employees need and what the company wants”

“To make sure that while delivering the strategic messaging, the right language and the right platform are used”

“People must understand how they contribute to the overall strategy”

TOP PRIORITIES FOR 2025 (%of respondents)



Note: Open-ended question (n = 85)

IC&C
GULF LANDSCAPE
2025

AI
GOVERNANCE

part

Sage Maturity Model

74%

GULF COMPANIES
ALREADY USE AI IN
COMMUNICATIONS

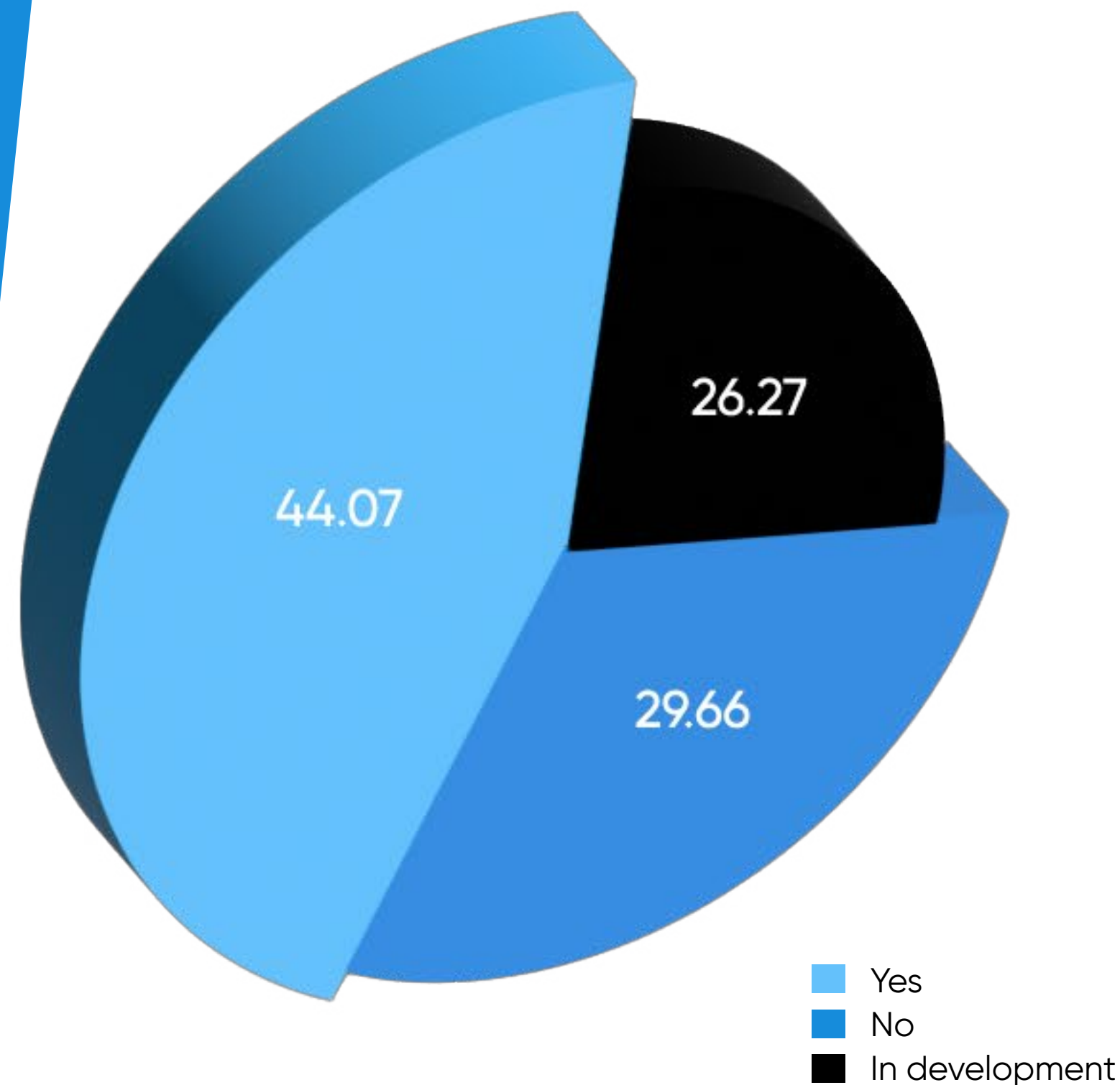
AI is already shaping internal operations.

- Most companies have begun integrating AI into their internal functions, with content creation (54%) and data analysis (40%) being the top use cases. Adoption also extends to personalization and content distribution, signalling a shift toward smarter and more scalable communication practices
- Only 30% of companies have established AI usage guidelines for employees, while 44% report having none
- 16% of companies that do not use AI still have guidance in place, and another 16% are currently developing one



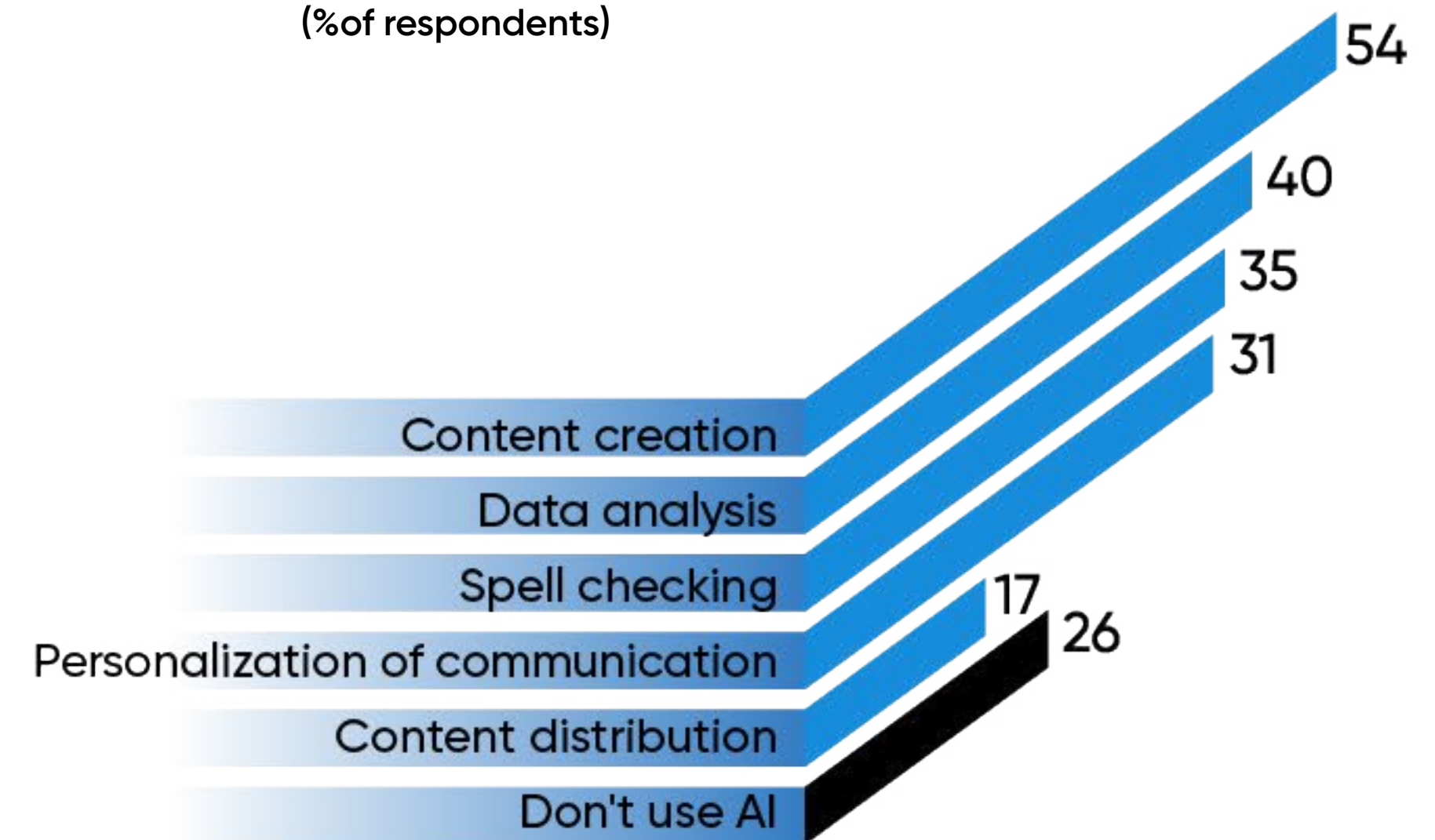
QUESTION: DO YOU HAVE EMPLOYEE GUIDANCE ON AI USAGE IN YOUR COMPANY?

AI EMPLOYEE GUIDANCE
(%of respondents)



QUESTION: IN WHICH AREAS OF COMMUNICATION FUNCTION DOES YOUR COMPANY USE AI?

WAYS OF USING AI
(%of respondents)



AI Usage and Perceived Effectiveness of Internal Communications

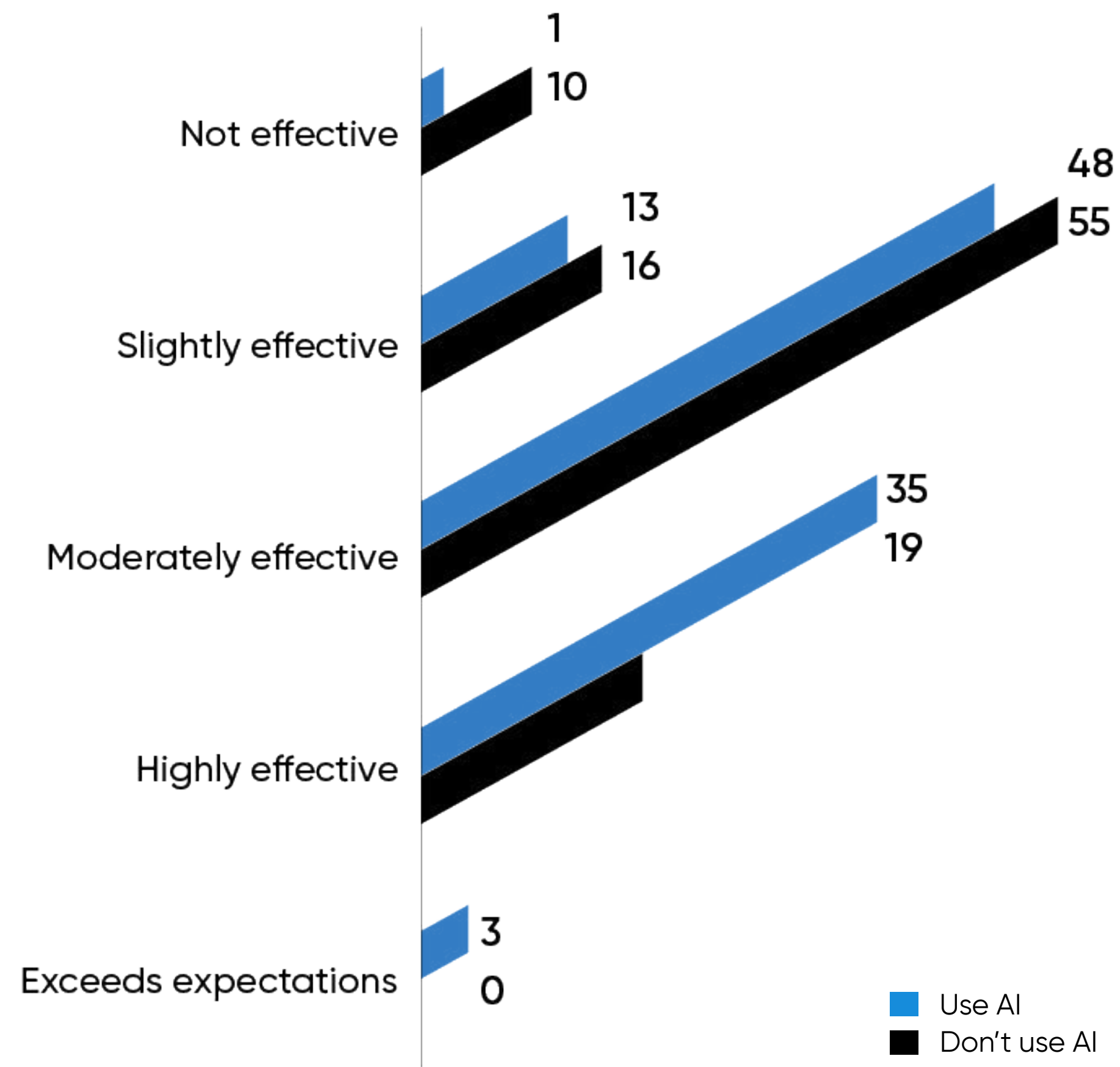
BOOSTS COMMS EFFECTIVENESS:

86% vs AI
74% FOR NON-USERS

AI usage correlates with higher perceived effectiveness.

- Companies using AI tools are 12 percentage points more likely to rate their function as highly effective or exceeding expectations, compared to those not using AI (86% against 74% respectively)

PERCEIVED IC EFFECTIVENESS BY AI USAGE
(%of respondents)



part

IC&C
GULF LANDSCAPE
2025

CONSLUSION

Summary of Key Findings

Functions are widespread

- Internal Communications functions are present in 97% of Gulf companies, while Corporate Culture is established in 81%

Shared goals, distinct focus

- Both functions prioritize engagement and values, but IC drives clarity and alignment, while Culture emphasizes emotional and behavioral impact

Execution remains a challenge

- IC struggles most with gathering updates (46%), despite this being its core task. Culture's biggest barrier is ensuring consistency across locations (38%)

Tools remain traditional

- C heavily relies on newsletters (87%), town halls (67%), and intranet (65%). Culture uses events (68%) and recognition programs (65%)

Measurement gaps persist

- One in four companies doesn't measure IC at all, and only 66% measure engagement despite it being a top priority

Measurement gaps persist

- One in four companies doesn't measure IC at all, and only 66% measure engagement despite it being a top priority

Perceived as effective

- Over half of companies consider both IC and Culture functions effective in supporting business needs

AI use is expanding

- Over 70% use AI, mainly for content and analytics. These companies are 12% more likely to rate their functions as highly effective (86% vs. 74%).

Thank you!

Kateryna Byelova
CEO & Principal
Consultant Sage XP

+973 331 55 091

info@sagexp.com

www.sagexp.com



SÄGE^{XP}

**INTERNAL
COMMUNICATIONS
AND CULTURE**