



**INTERNAL
COMMUNICATIONS
AND CULTURE**



GULF
LANDSCAPE
2026

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ABOUT
THE STUDY

Research Purpose

The study provides the second annual overview of how Internal Communications and Corporate Culture functions are organized and managed across companies in the Gulf region, representing the only Gulf-wide benchmark of its kind

What the study explores

- Functions reporting lines and team size
- Core goals, challenges, 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 2026

Participants

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

Data Collection

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

Questionnaire Structure

- 23 closed-ended questions
- 1 open-ended question

Data Confidentiality

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

Analysis

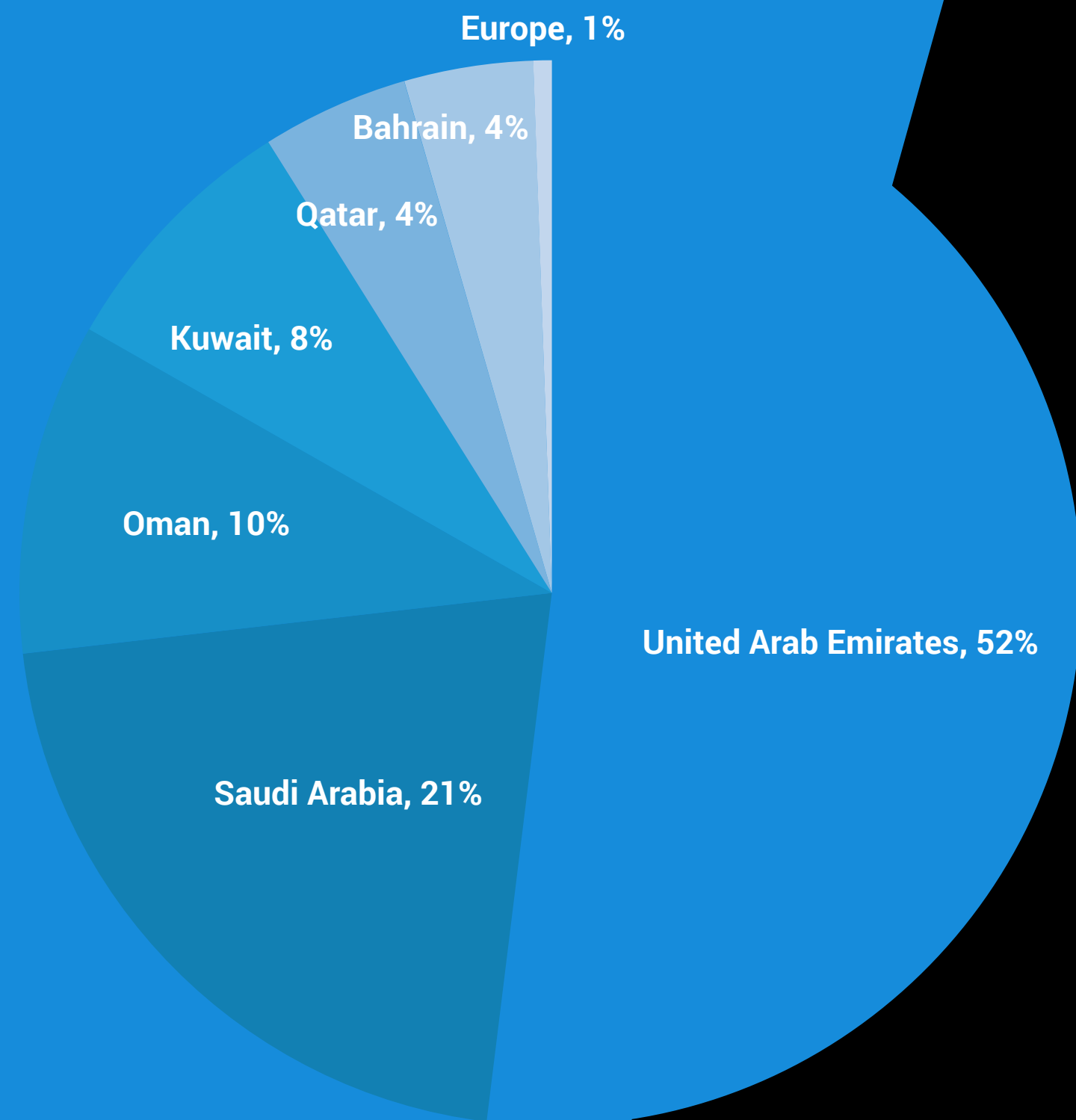
- Data was analyzed by function ownership, company size, industry, and country
- Cross-tabulations were used to explore patterns and correlations across key variables

Respondent Profile

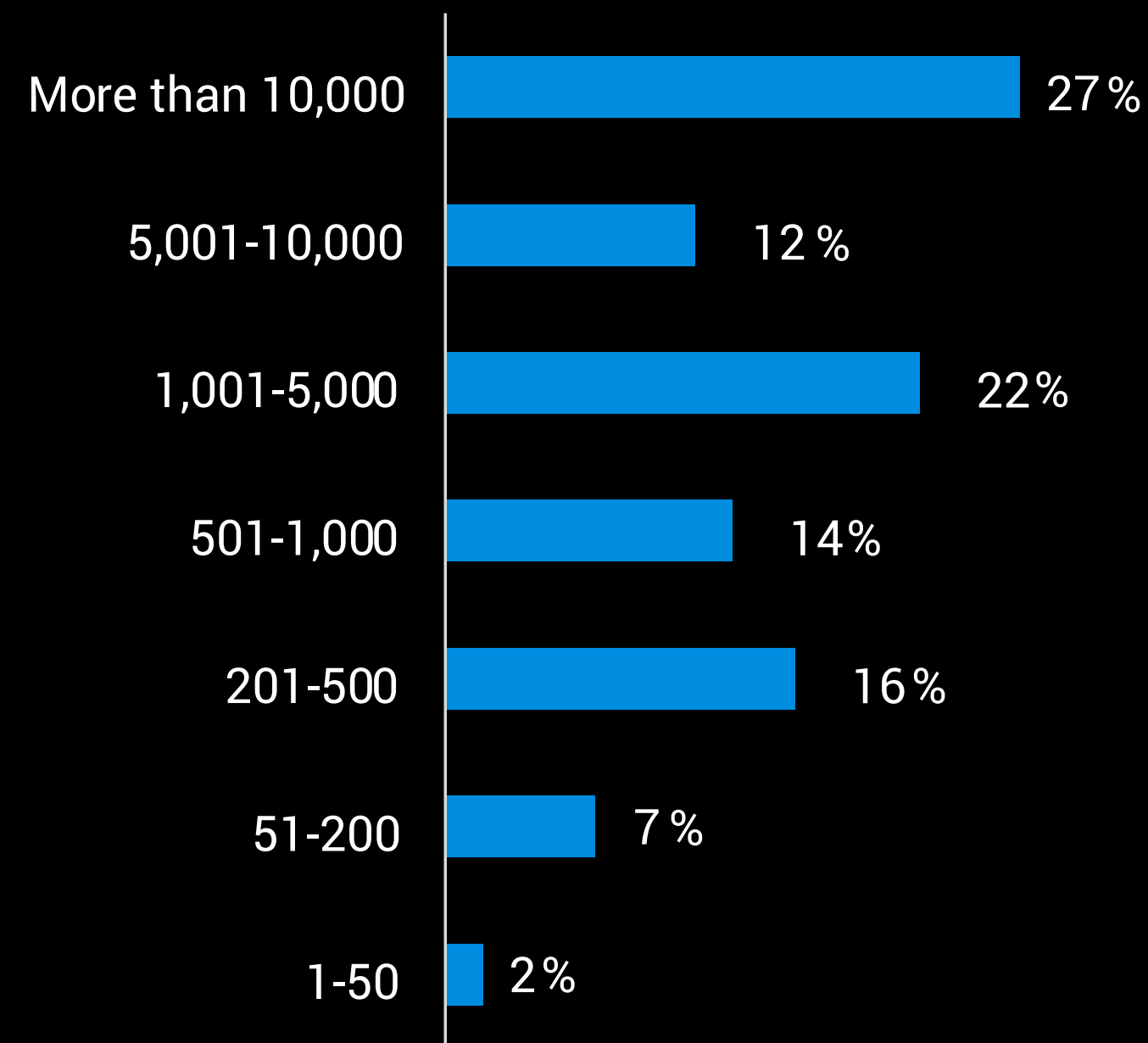
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GULF-BASED COMPANIES ACROSS SECTORS AND SIZES PARTICIPATED IN THE STUDY

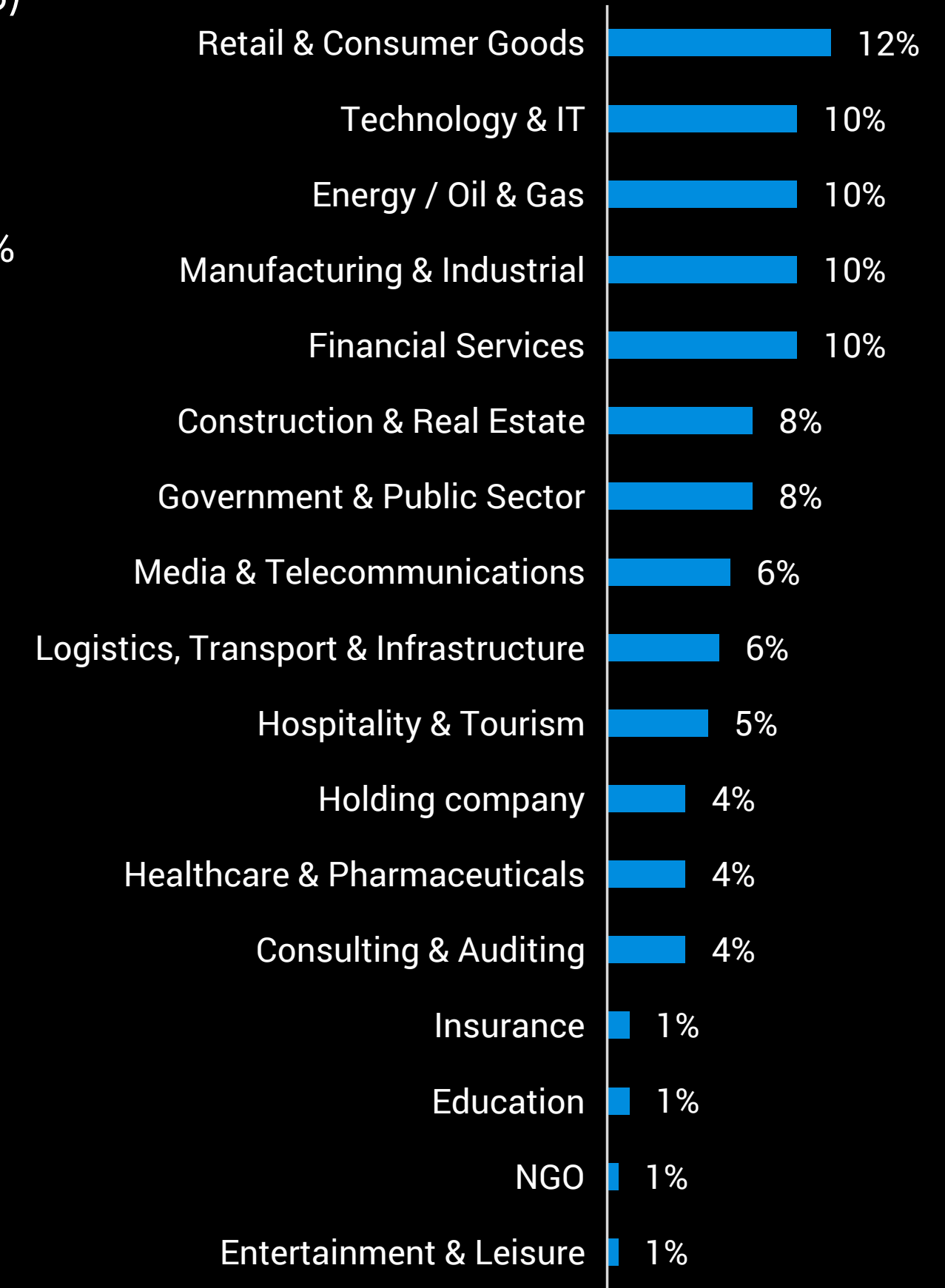
BY COUNTRY (HQ LOCATION)
(% of respondents)



BY COMPANY SIZE
(NUMBER OF EMPLOYEES)
(% of respondents)



BY INDUSTRY
(% of respondents)



Executive Summary

FUNCTIONS ARE WIDESPREAD, BUT EFFECTIVENESS REMAINS LIMITED

Internal Communications functions are present in 97% of Gulf companies, yet only around 30% report high effectiveness

MATURITY REMAINS MID-LEVEL

Most companies are concentrated in middle maturity tiers, with only 13% of IC and 6% of Culture reaching full maturity

MEASUREMENT DRIVES EFFECTIVENESS

75% of ineffective functions do not measure IC at all, while effective functions almost always track performance

EXECUTION REMAINS A CHALLENGE

IC struggles with gathering updates, while Culture faces consistency across locations

OWNERSHIP SHAPES OUTCOMES

Clear ownership (HR or Communications) is associated with stronger positioning and higher effectiveness than shared models

AI ADOPTION IS ACCELERATING

Over 70% of companies already use AI, primarily for content and analytics, and are significantly more likely to report higher effectiveness

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FUNCTIONIONS
MATURITY
ASSESSMENT

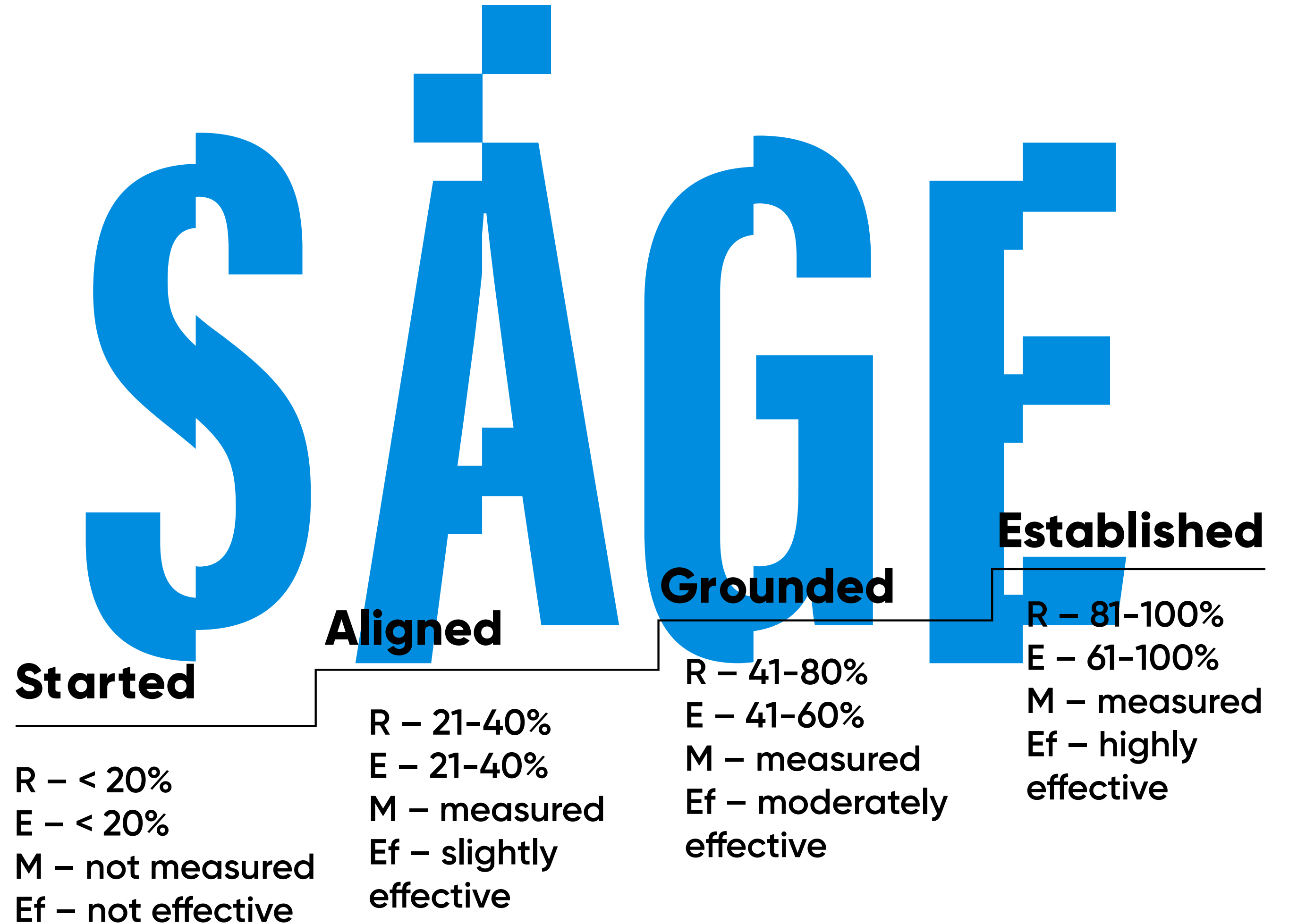
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SAGE Maturity Model

A proprietary framework by Sage XP to assess Internal Communications & Culture maturity, clarifying where they stand today and what's needed to move them forward.

An organization's maturity is defined by its lowest-performing dimension.

Organizations are assessed across four dimensions and four maturity levels.

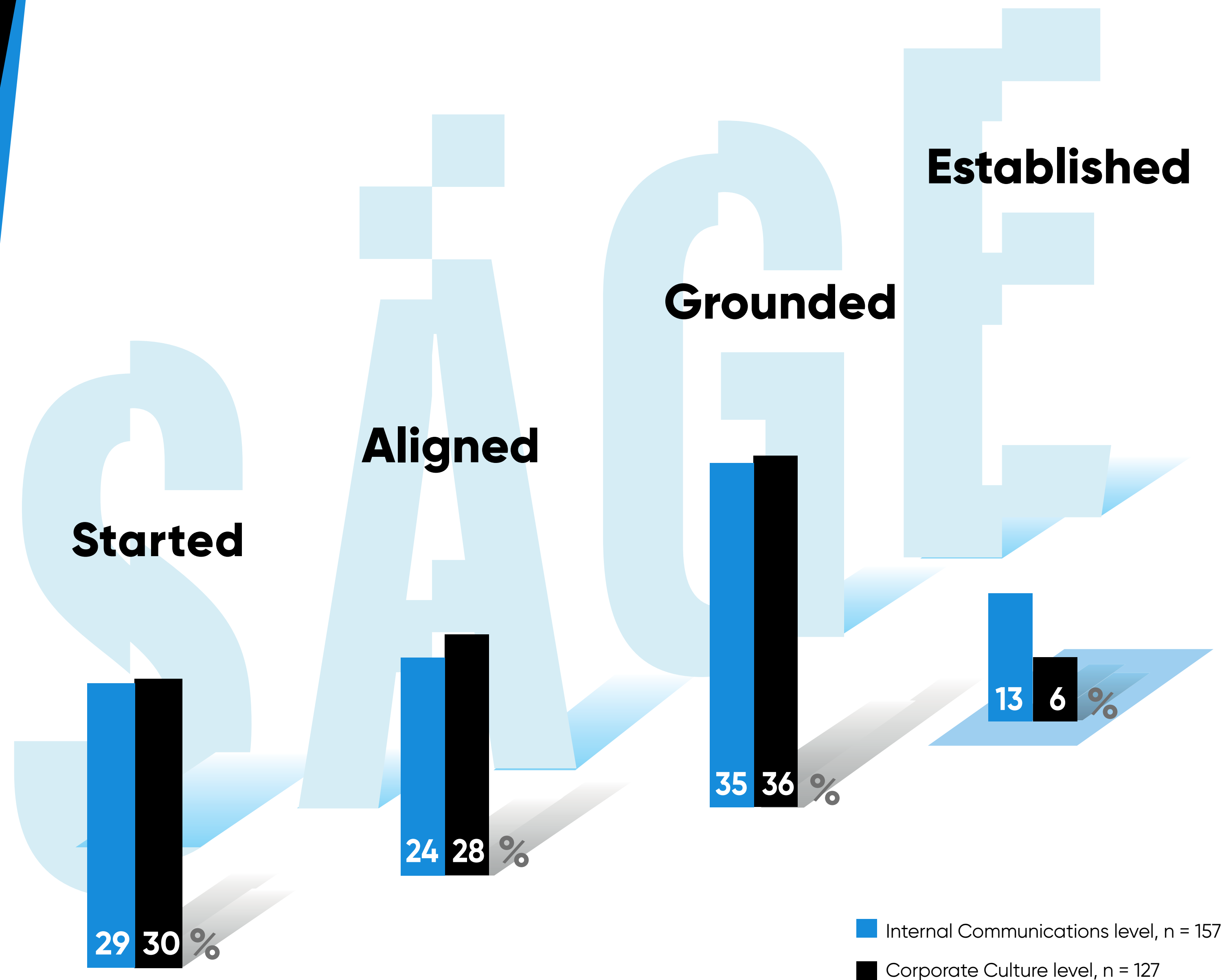


R (Reach) – % employees reached
E (Engagement) – % actively engaging
M (Measurement) – impact measured or not
Ef (Effectiveness) – performance impact

Internal Communications and Culture Gulf Companies Maturity Level

Only 13% of IC and 6% of Culture functions reach full maturity, with most companies still concentrated in mid-level stages

Internal Communications and Corporate Culture functions in the Gulf are still primarily concentrated in the middle maturity tiers, with 35–36% of companies at the Grounded level. Only a small share reach the Established stage (13% IC, 6% Culture), while nearly one in three companies remain at the initial Started level (29–30%). Compared to last year, the overall distribution remains broadly stable, with a slight increase in the Grounded tier and no significant expansion of the Established level.



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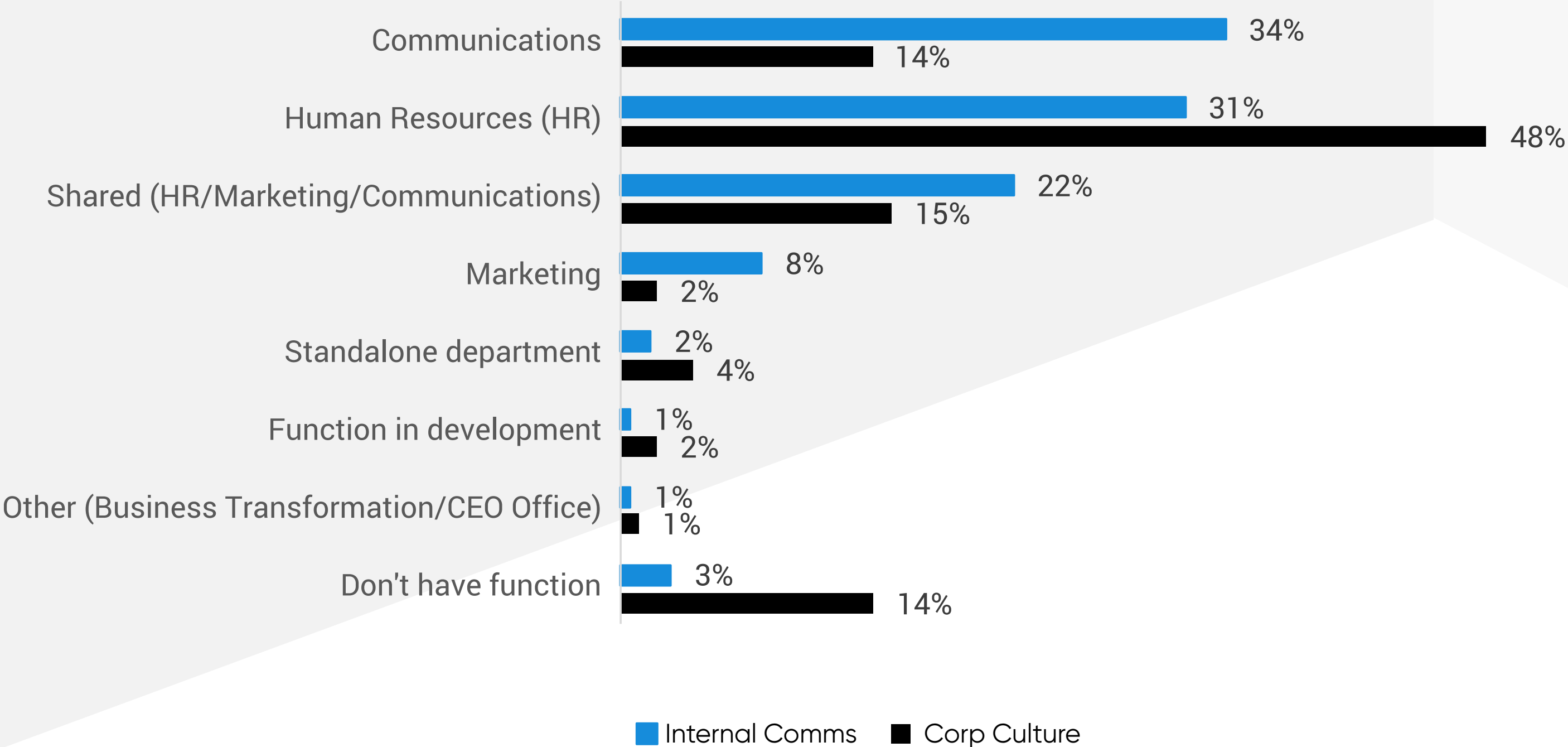
GENERAL
FINDINGS

FUNCTIONS OWNERSHIP AND REPORTING LINES

- Internal Communications functions are present in nearly all companies (97%), while Corporate Culture functions remain less consistently established (14% don't have this function)
- Internal Communications is most commonly located within Communications (34%), followed by HR (31%) and shared HR/Marketing/Communications structures (22%)
- Corporate Culture is most commonly located within HR (48%), followed by shared HR/Marketing/Communications structures (15%) and Communications (14%)

97% OF COMPANIES HAVE AN INTERNAL COMMUNICATIONS FUNCTION

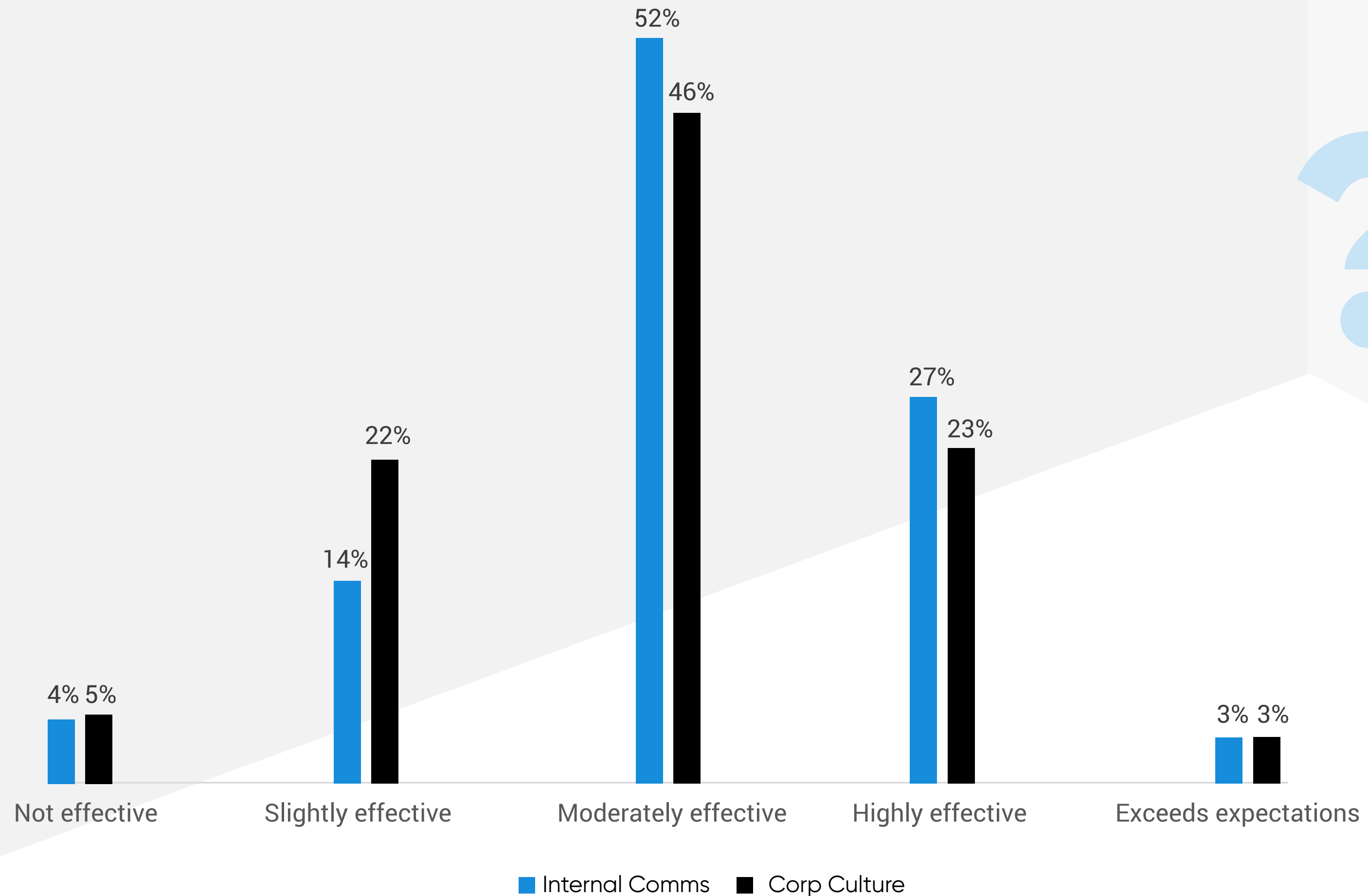
FUNCTIONS LOCATION IN ORGANIZATIONS (% of respondents)



PERCEIVED EFFECTIVENESS OF INTERNAL COMMUNICATIONS AND CORPORATE CULTURE

97% HAVE IC FUNCTION, ONLY **30%** SEE IT AS EFFECTIVE

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



- 97% of organizations have an Internal Communications function, yet only 30% consider it highly effective or better
- 86% have Corporate Culture initiatives in place, but only 26% view them as effective
- Most organizations rate both functions as only moderately effective, indicating a clear performance gap

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

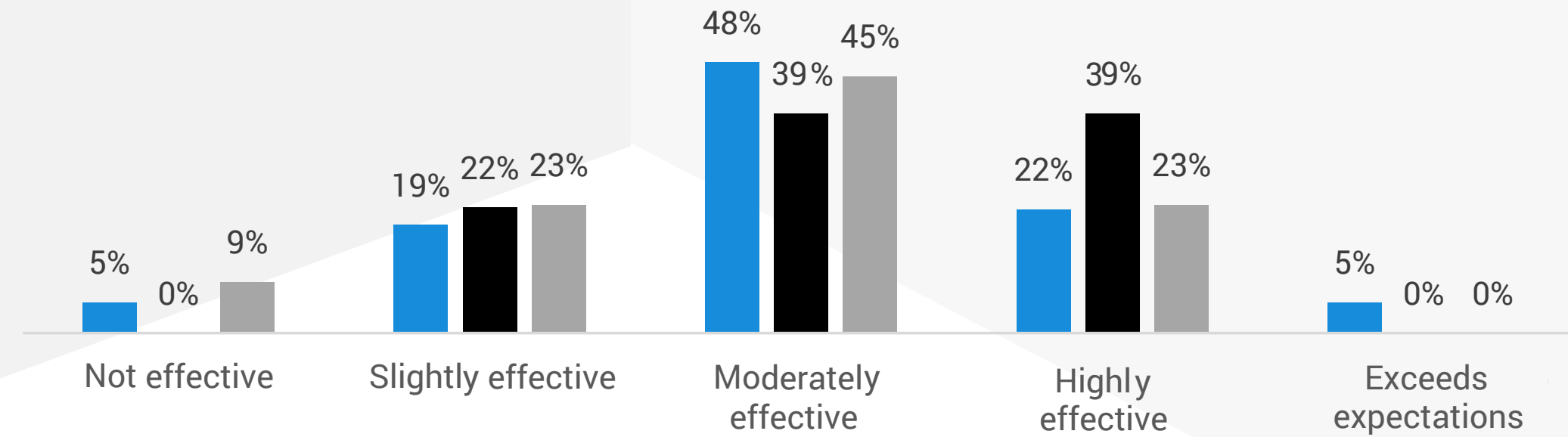
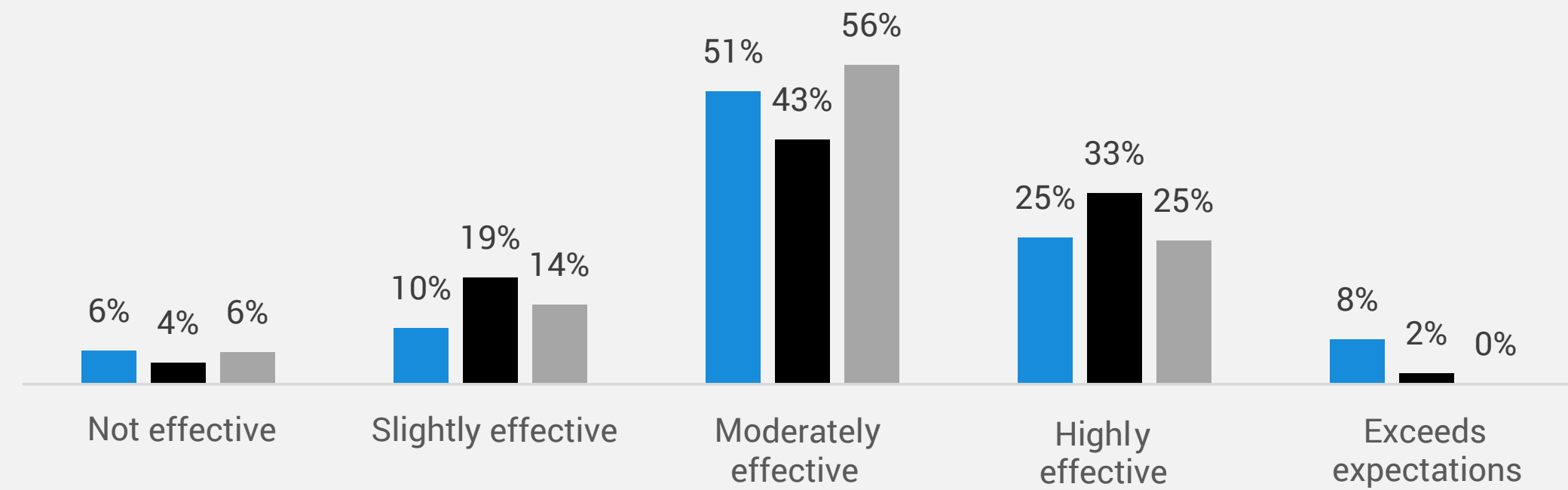
PERCEIVED EFFECTIVENESS OF INTERNAL COMMUNICATIONS BY FUNCTION OWNERSHIP

- Functions with shared ownership report lower effectiveness levels (25%) compared to Communications-led (35%) and HR-led structures (33%)

CLEAR OWNERSHIP IS LINKED TO HIGHER EFFECTIVENESS

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

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

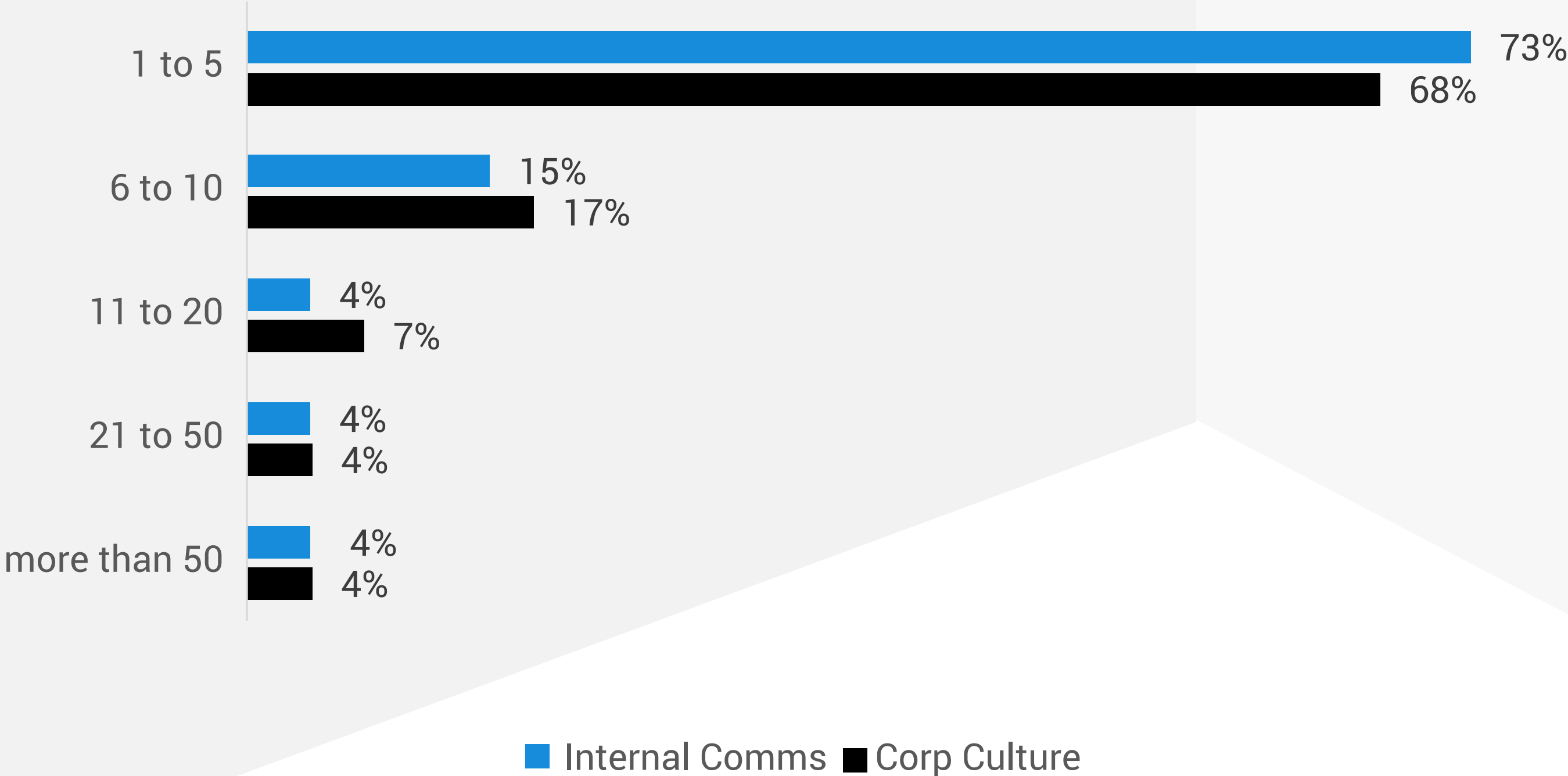


■ Human Resources (HR) ■ Communications ■ Shared (HR/Marketing/Communications)

FUNCTIONS SIZE

- Most Internal Communications and Corporate Culture teams are small: 73% of Internal Communications teams and 68% of Corporate Culture teams consist of 1–5 people
- Teams of 6–10 people represent the second most common size, accounting for 15% of Internal Communications teams and 17% of Corporate Culture teams
- Larger teams remain relatively rare: about 8% of companies report teams larger than 20 people in either function

TEAM SIZE BY FUNCTION
(% of respondents)



GOALS OF INTERNAL COMMUNICATIONS

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

COMMUNICATING UPDATES REMAINS THE **#1** GOAL OF INTERNAL COMMS (**86%**)

- Communicating company updates and news remains the top goal of Internal Communications, selected by 86% of companies, compared to 79% in 2025 study
- In the **UAE and Saudi Arabia**, the top priorities focus on communicating updates, strategy, and company values, while in **Kuwait, Qatar, Bahrain, and Oman** operational priorities such as change management, two-way communication, wellbeing, or crisis communication appear more frequently among the top goals

TOP INTERNAL COMMUNICATIONS GOALS (% of respondents)



Note: Respondents could select up to 3 options (n = 157)

GOALS OF CORPORATE CULTURE

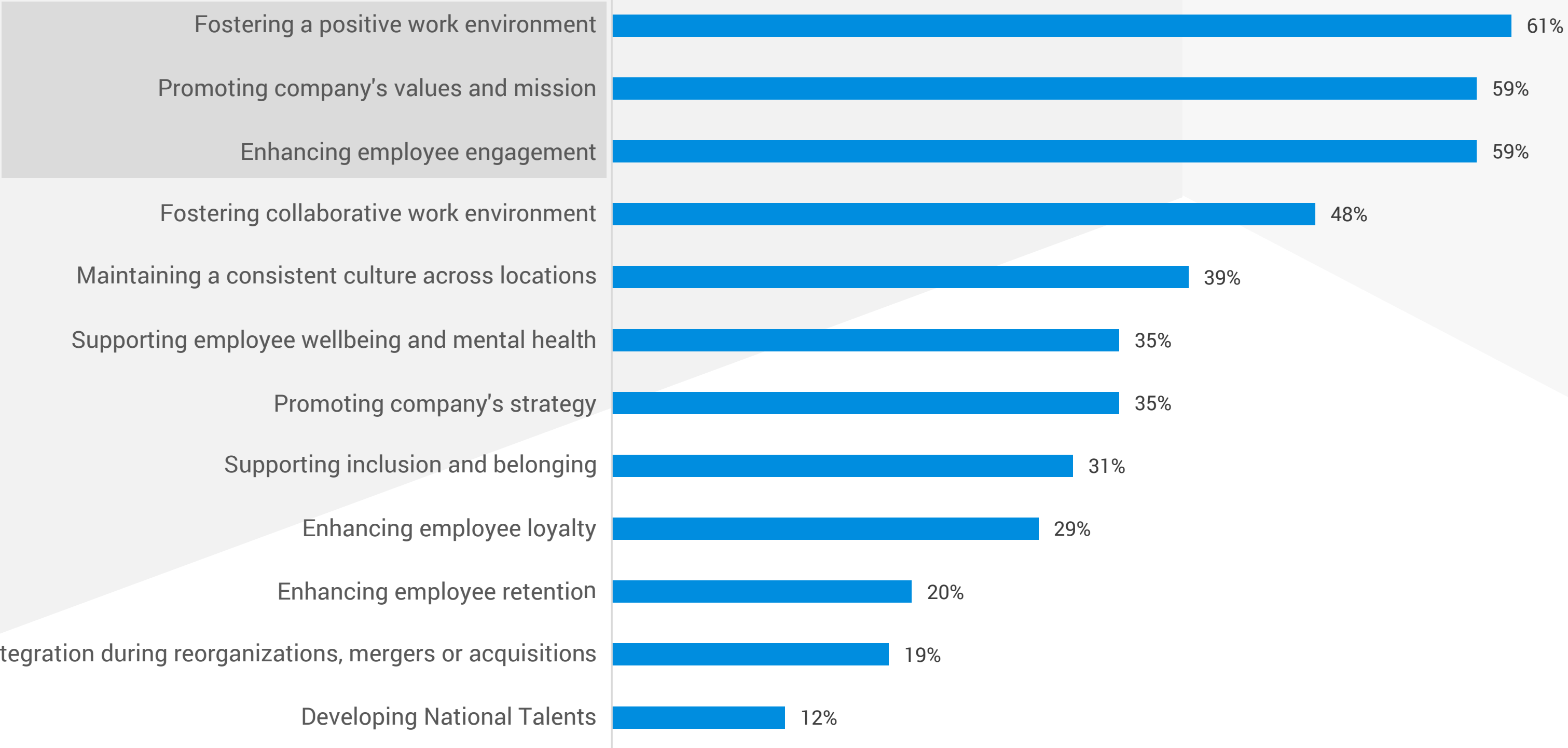


QUESTION: WHAT ARE THE PRIMARY GOALS OF YOUR CORPORATE CULTURE FUNCTION?

POSITIVE WORK ENVIRONMENT REMAINS THE #1 CORPORATE CULTURE GOAL (61%)

TOP CORPORATE CULTURE GOALS (% of respondents)

- Fostering a positive work environment remains the top Corporate Culture goal, selected by 61% of companies, slightly increasing from 59% in the previous study
- Promoting company strategy is selected by 35% of companies, indicating that Corporate Culture goals focus more on the work environment and employee experience than on strategic communication



Note: Respondents could select up to 3 options (n = 127)

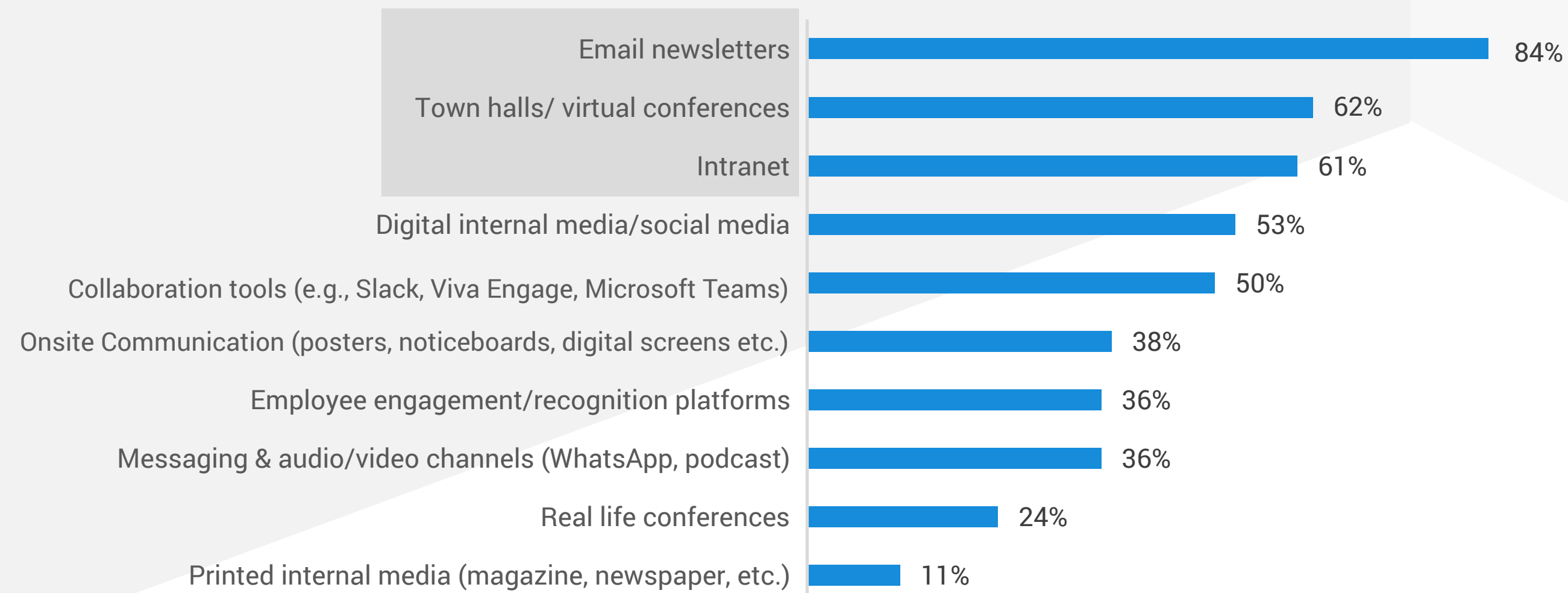
TOOLS OF INTERNAL COMMUNICATIONS

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

EMAIL REMAINS THE LEADING INTERNAL COMMS TOOL, USED BY **84%** OF COMPANIES

- The Internal Communications tool landscape remains largely stable. Email newsletters (84%), town halls / virtual conferences (62%), and intranet (61%) continue to be the three most widely used channels, consistent with the 2025 study, where the same tools ranked as the top three

TOP INTERNAL COMMUNICATIONS TOOLS USED (% of respondents)



Note: Respondents could select multiple answers (n = 157)

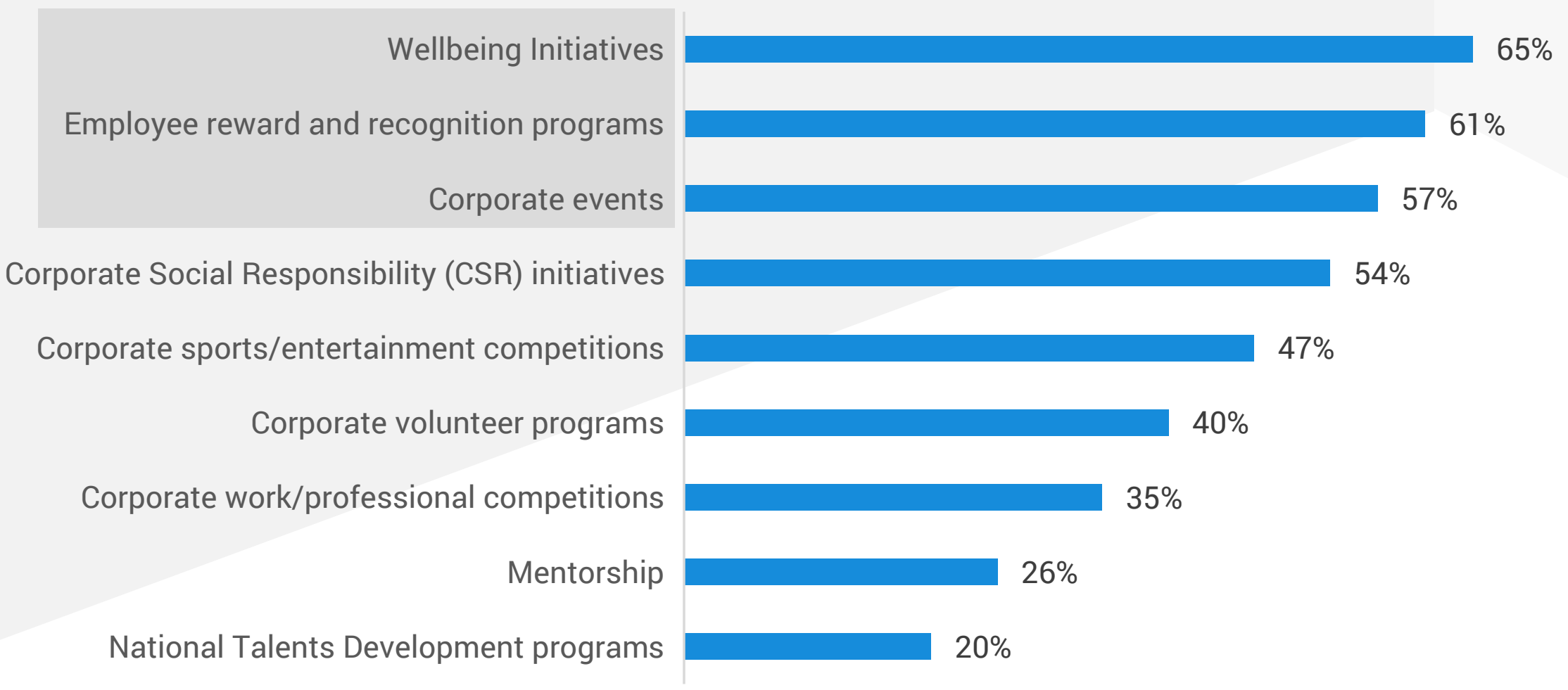
TOOLS OF CORPORATE CULTURE

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

39% OF GULF COMPANIES DO NOT HAVE ANY REWARD & RECOGNITION PROGRAMS

- Wellbeing initiatives (65%) and employee reward and recognition programs (61%) are the most widely used corporate culture initiatives in 2026
- In the 2025 study, corporate events (68%) and reward & recognition programs (65%) were the most common initiatives, indicating a shift toward wellbeing programs as a key culture focus
- Despite the importance of recognition, 39% of companies still report having no reward and recognition programs in place

TOP CORPORATE CULTURE TOOLS USED (% of respondents)



Note: Respondents could select multiple answers (n = 127)

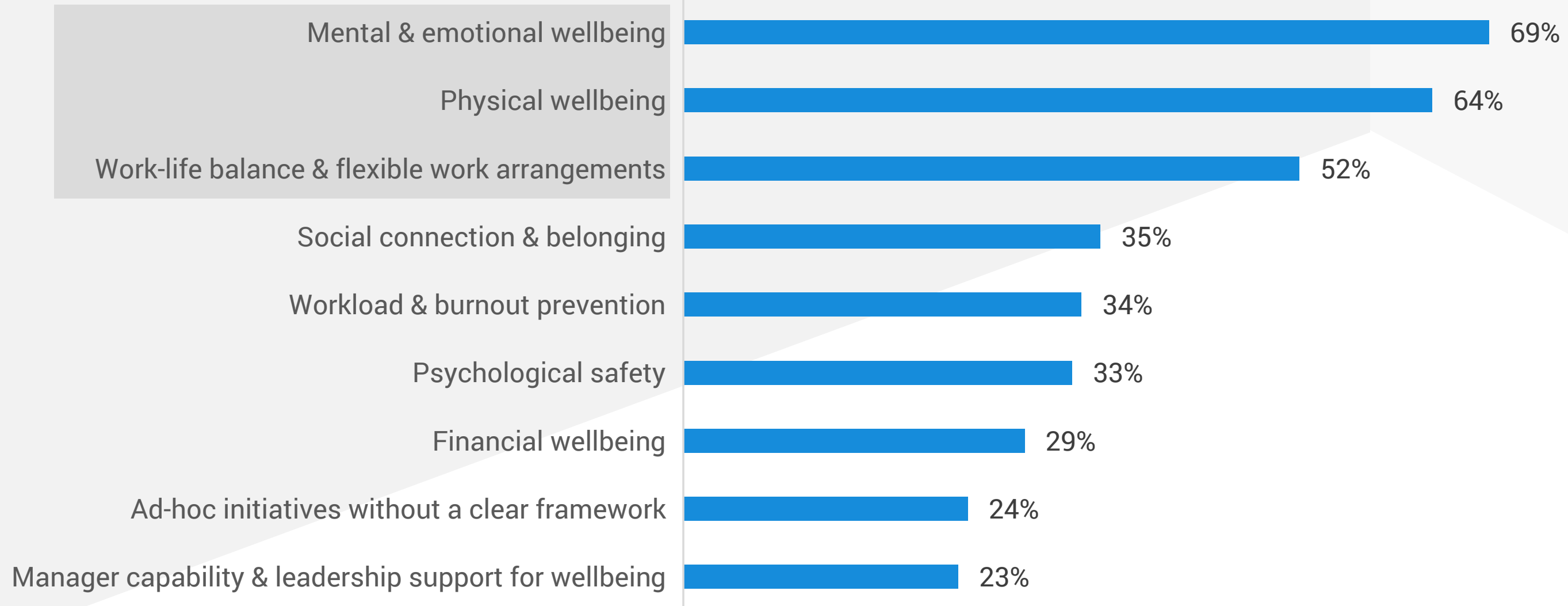
WELLBEING INITIATIVES

QUESTION: IF WELLBEING IS A PART OF YOUR AGENDA, WHICH OF THE FOLLOWING DOES IT CURRENTLY INCLUDE?

- Wellbeing agendas remain primarily focused on mental and physical wellbeing, cited by 69% and 64% of companies respectively
- Work-life balance and flexible work arrangements (52%) are also a major priority, reflecting ongoing expectations for flexibility in the workplace
- Other dimensions of wellbeing, such as psychological safety (33%), financial wellbeing (29%), and leadership support (23%), are addressed less frequently, suggesting that many organizations still focus on foundational wellbeing initiatives

MENTAL AND PHYSICAL WELLBEING DOMINATE CORPORATE WELLBEING AGENDAS

WELLBEING AGENDA (% of respondents)



Note: Respondents could select up to 3 options (n = 124)

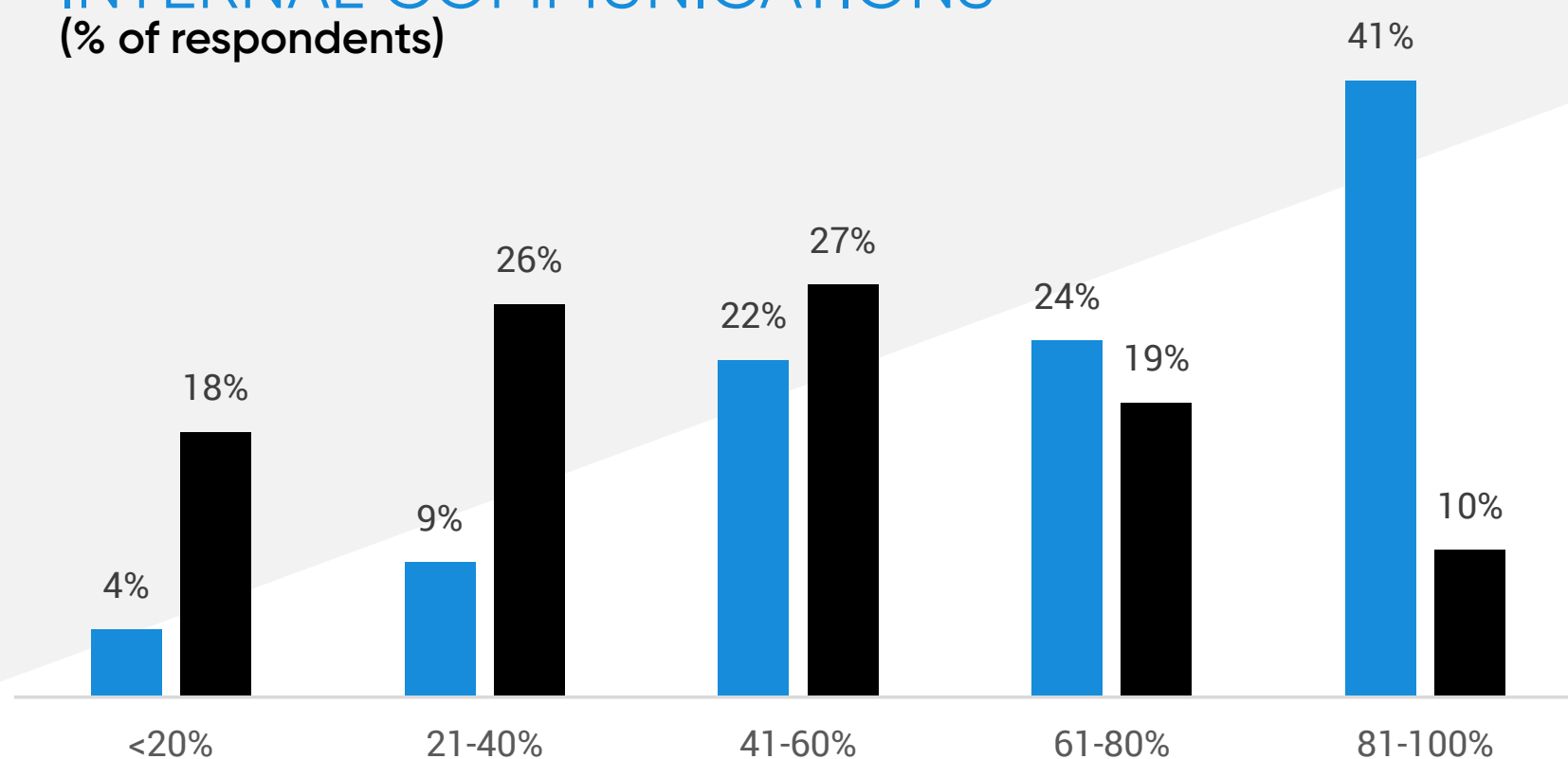
REACH AND ENGAGEMENT IN INTERNAL COMMS AND CULTURE

- 41% of companies report reaching 81–100% of employees through Internal Communications tools, yet only 10% achieve the same level of engagement
- A similar pattern appears in Corporate Culture initiatives: 51% of companies reach 61–100% of employees, while only 33% report engagement at this level
- These results highlight a persistent gap between reach and engagement, suggesting that distributing information is significantly easier than driving active employee participation
- The same pattern was observed in the 2025 study, confirming that engagement remains a consistent challenge across Internal Communications and Culture initiatives

REACHING EMPLOYEES IS COMMON.
KEEPING THEM ENGAGED IS MUCH HARDER.

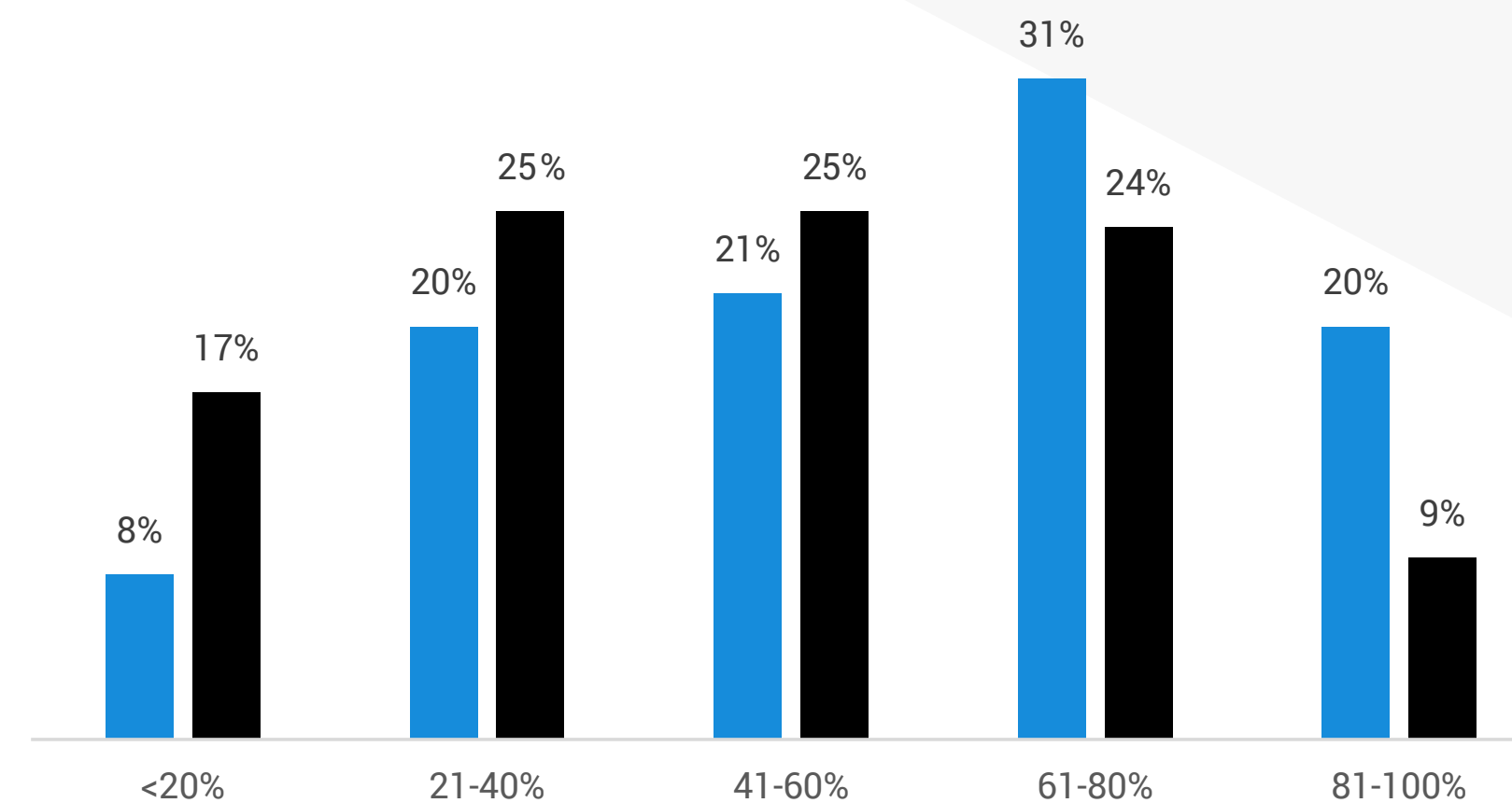
QUESTION: WHAT PERCENTAGE OF YOUR OVERALL WORKFORCE IS REACHED THROUGH YOUR INTERNAL COMMUNICATIONS TOOLS? WHAT PERCENTAGE OF THE REACHED WORKFORCE ENGAGES WITH INTERNAL COMMUNICATIONS TOOLS REGULARLY?

REACH AND ENGAGEMENT IN INTERNAL COMMUNICATIONS (% of respondents)



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)



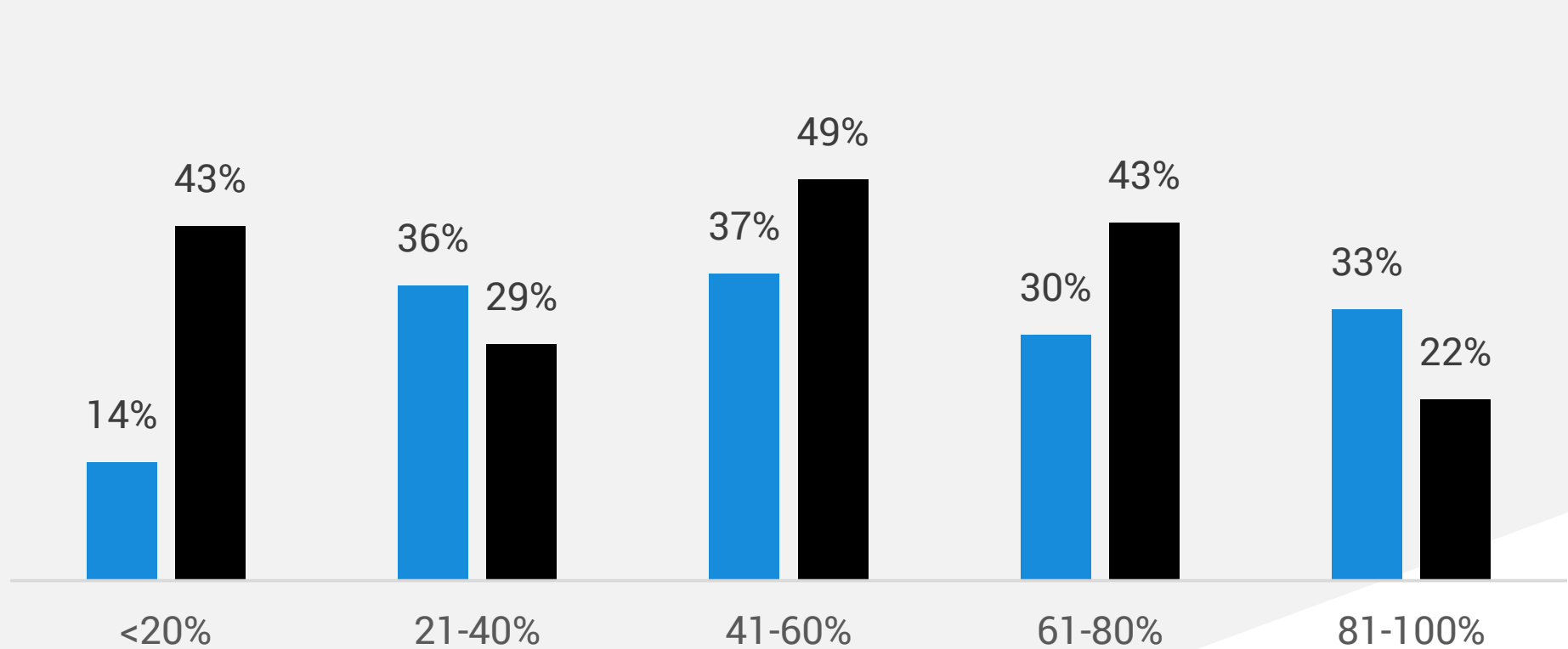
■ Reach ■ Engage

REACH AND ENGAGEMENT IN INTERNAL COMMS BY FUNCTION OWNERSHIP

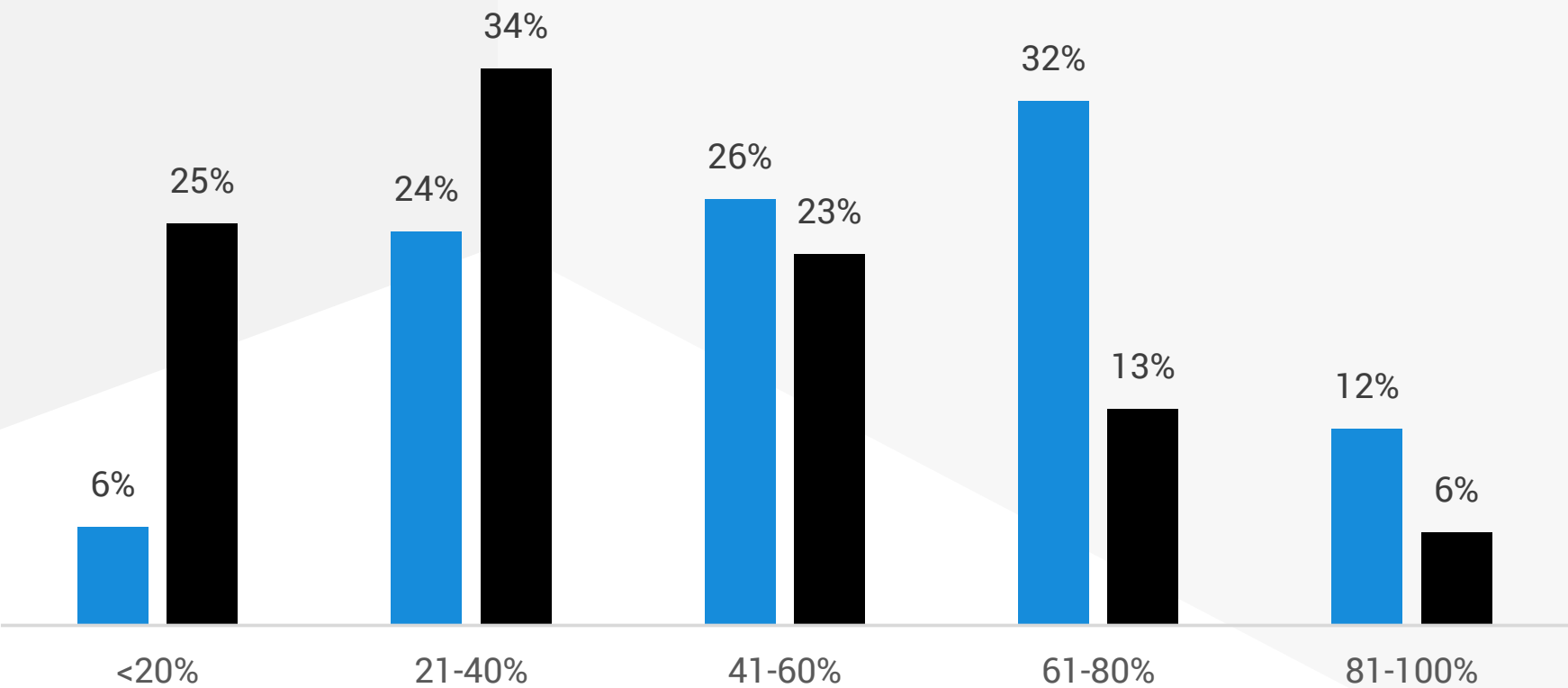
HR-LED INTERNAL COMMS SHOW HIGHER ENGAGEMENT, WHILE REACH REMAINS COMPARABLE

- Internal Communications functions located within HR and Communications show similar reach levels, with 63 and 65% of functions reaching 61–100% of employees
- However, engagement levels differ significantly: 44% of HR-led functions report engagement levels of 61–100%, compared to only 19% of Communications-led functions

IC REACH ACROSS HR & COMMS
 (% of companies with IC Function located in represented departments)



IC ENGAGEMENT ACROSS HR & COMMS
 (% of companies with CC Function located in represented departments)



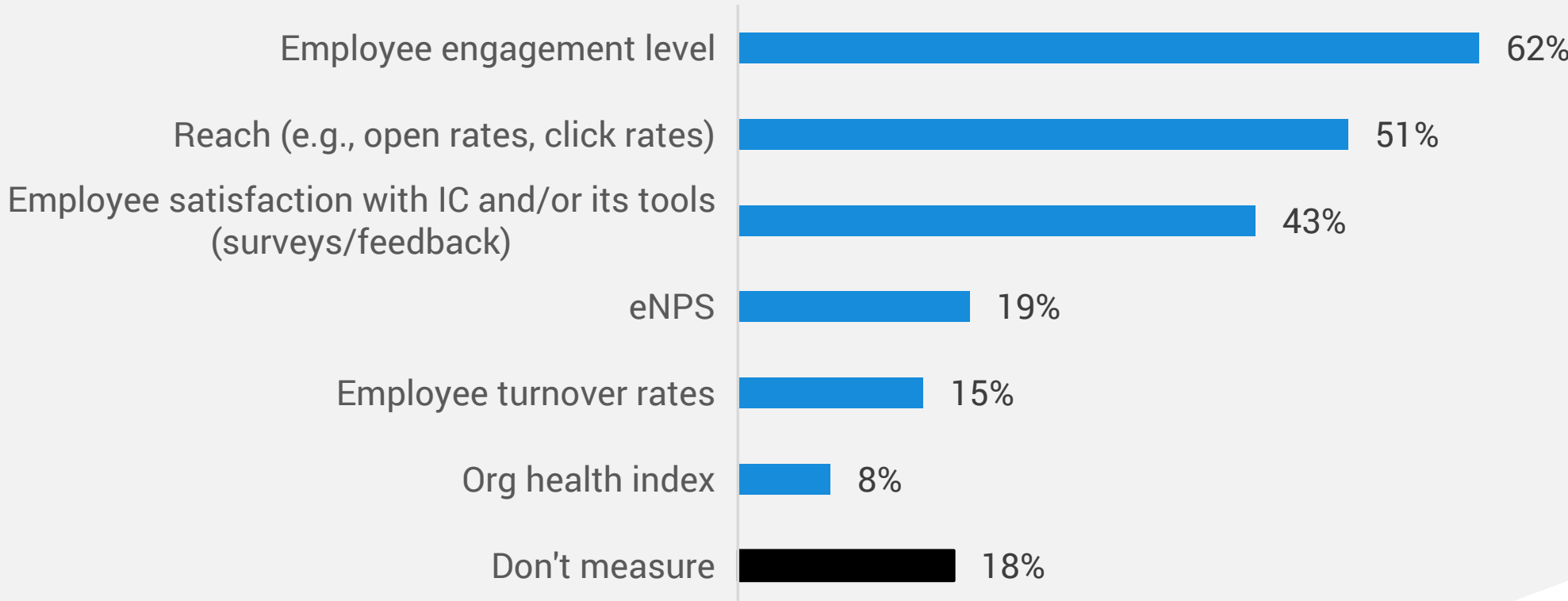
■ Human Resources (HR) ■ Communications

MEASUREMENT OF INTERNAL COMMUNICATIONS AND CULTURE

ONE IN FIVE COMPANIES STILL DOESN'T MEASURE INTERNAL COMMS

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

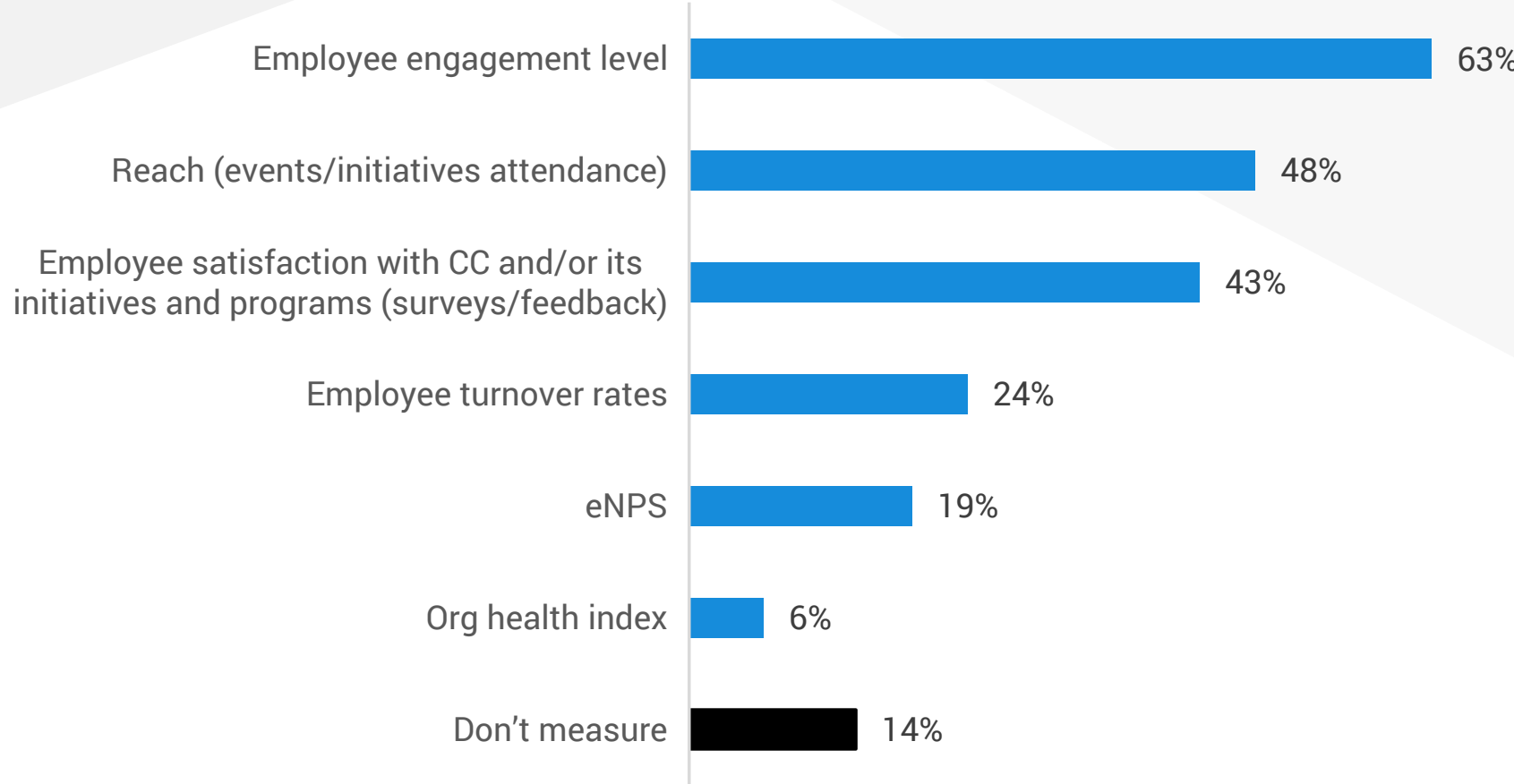
INTERNAL COMMUNICATIONS MEASUREMENT (% of respondents)



Note: Respondents could select multiple answers (n = 156)

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

CORPORATE CULTURE MEASUREMENT (% of respondents)



Note: Respondents could select multiple answers (n = 127)

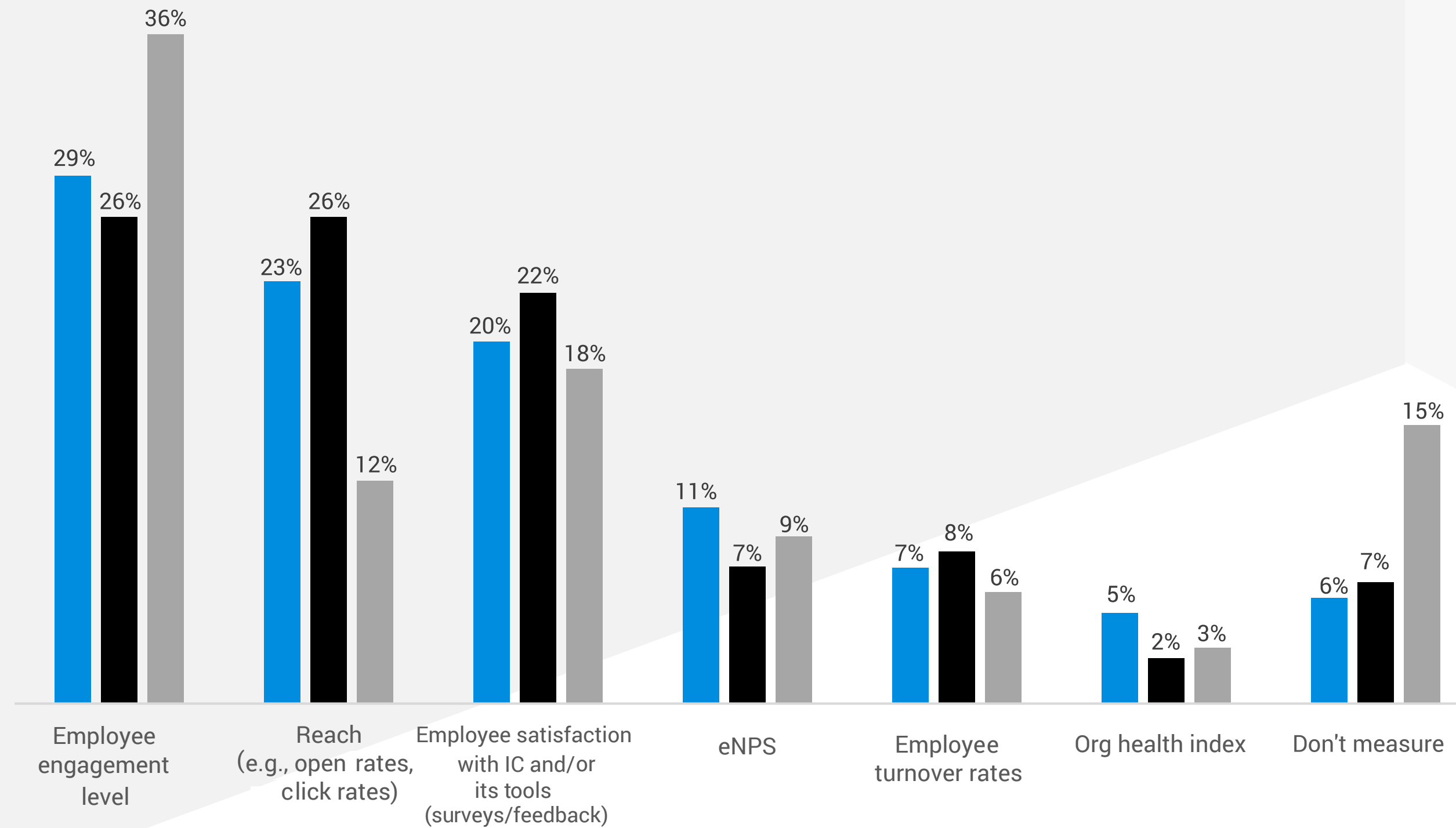
- The share of companies that do not measure Internal Communications dropped from 25% in 2025 to 18% in 2026
- For Corporate Culture, the share fell from 19% to 14%, indicating growing recognition of the need for measurement
- Employee engagement level remains the most commonly used metric for both Internal Communications (62%) and Corporate Culture (63%)

MEASUREMENT OF INTERNAL COMMUNICATIONS BY FUNCTION

FUNCTION OWNERSHIP SHAPES WHICH IC METRICS ARE PRIORITIZED

- Communications-led functions prioritize communication metrics, with reach (26%) and employee satisfaction with IC tools (22%) used more often than in HR-led functions (23% and 20% respectively)
- HR-led functions place slightly more emphasis on people metrics, with employee engagement level at 29% versus 26% in Communications, and higher use of eNPS (11% vs. 7%) and org health index (5% vs. 2%)
- Shared HR/Marketing/Communications structures rely most on engagement level (36%), but are also more likely not to measure Internal Communications at all (15%, compared to 7% in Communications and 6% in HR)

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



■ Human Resources (HR) ■ Communications ■ Shared (HR/Marketing/Communications)

Note: Respondents could select multiple answers (n = 156)

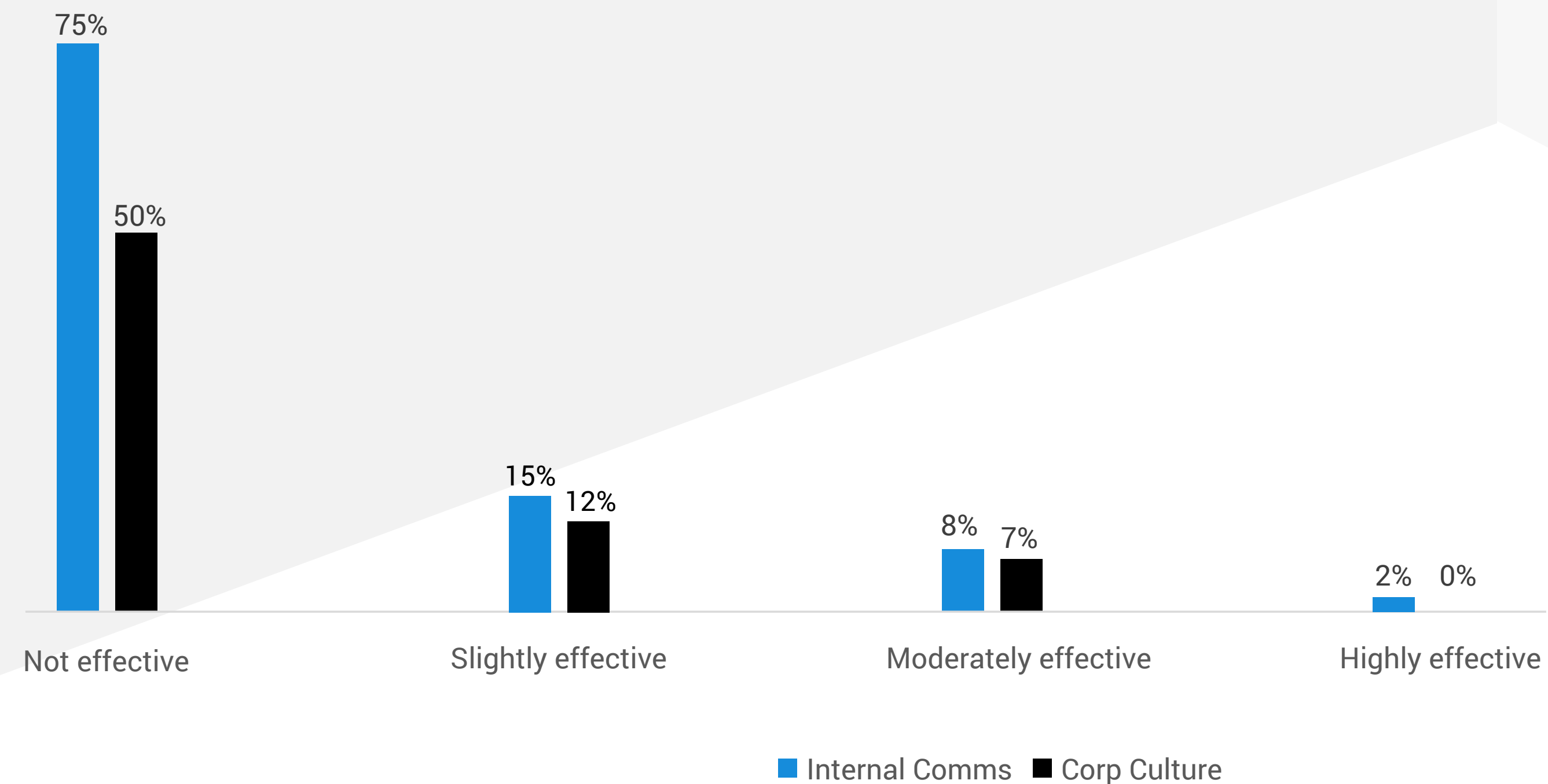
PERCEIVED EFFECTIVENESS AND MEASUREMENT

- 75% of IC functions rated as “not effective” do not measure Internal Communications at all
- Organizations that do not measure rarely achieve high effectiveness levels
- Among companies that report high effectiveness, the vast majority track IC metrics

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

MEASUREMENT IS STRONGLY LINKED TO EFFECTIVENESS

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



CHALLENGES OF INTERNAL COMMUNICATIONS

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

TOP INTERNAL COMMUNICATIONS CHALLENGES (% of respondents)



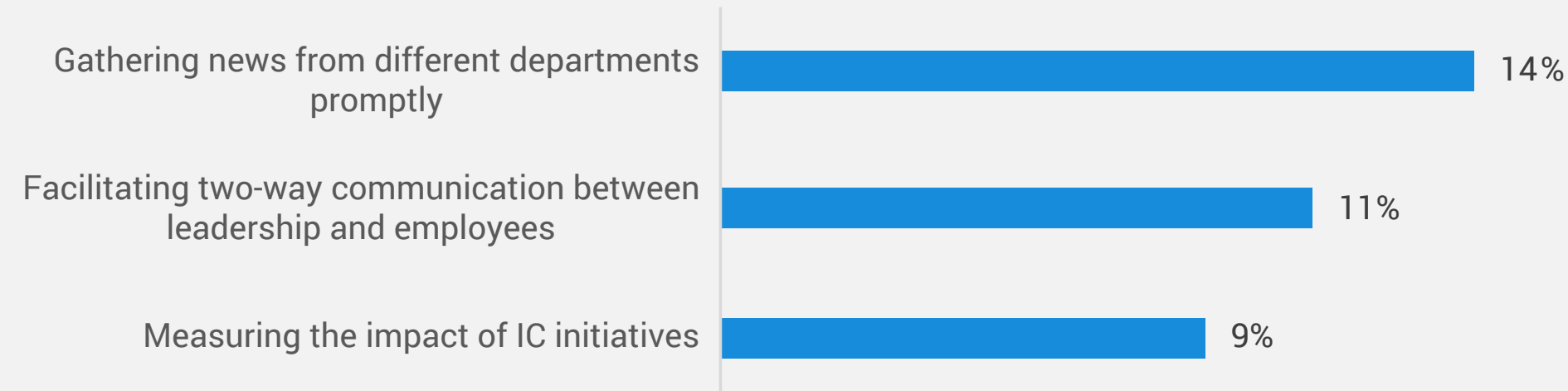
“COMMUNICATING UPDATES” IS THE TOP IC GOAL, YET ALSO ITS TOP CHALLENGE (46%)

- Most IC challenges are organizational rather than technical, with access to information, leadership alignment, and impact measurement emerging as the main barriers
- The most common challenge remains gathering updates from across the organization (46%), consistent with 2025 results, highlighting the difficulty of collecting timely information

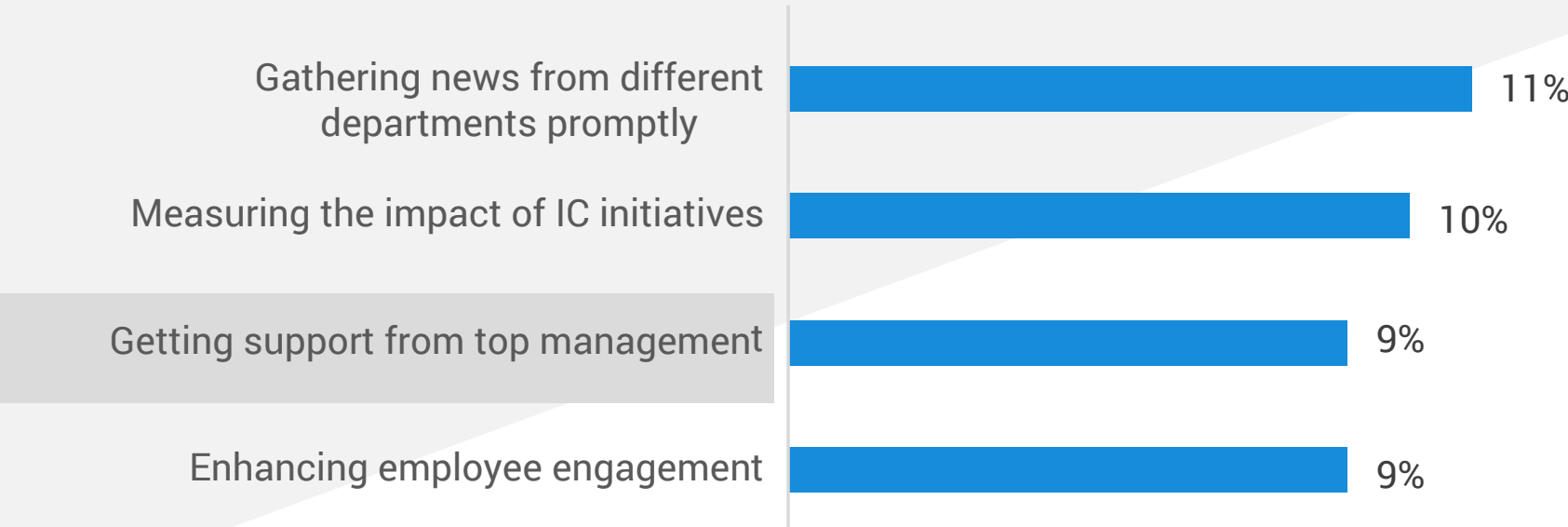
Note: Respondents could select up to 3 options (n = 155)

CHALLENGES OF INTERNAL COMMUNICATIONS BY FUNCTION OWNERSHIP

TOP IC CHALLENGES FOR HR AND COMMS LED FUNCTIONS (% of companies with the IC function located in HR/Comm)



TOP IC CHALLENGES FOR SHARED FUNCTIONS (% of companies with shared IC function)



SHARED IC STRUCTURES FACE GREATER CHALLENGES IN SECURING LEADERSHIP SUPPORT, SUGGESTING THAT CLEAR OWNERSHIP STRENGTHENS ORGANIZATIONAL ALIGNMENT.

CHALLENGES OF CORPORATE CULTURE

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

TOP CORPORATE CULTURE CHALLENGES (% of respondents)



- Maintaining a consistent culture across locations remains the #1 challenge (40%), slightly higher than in 2025 (38%)
- Companies also struggle to align culture initiatives with business strategy (29%) and measure culture impact (27%)
- The challenge is no longer defining culture, but embedding it consistently across the organization

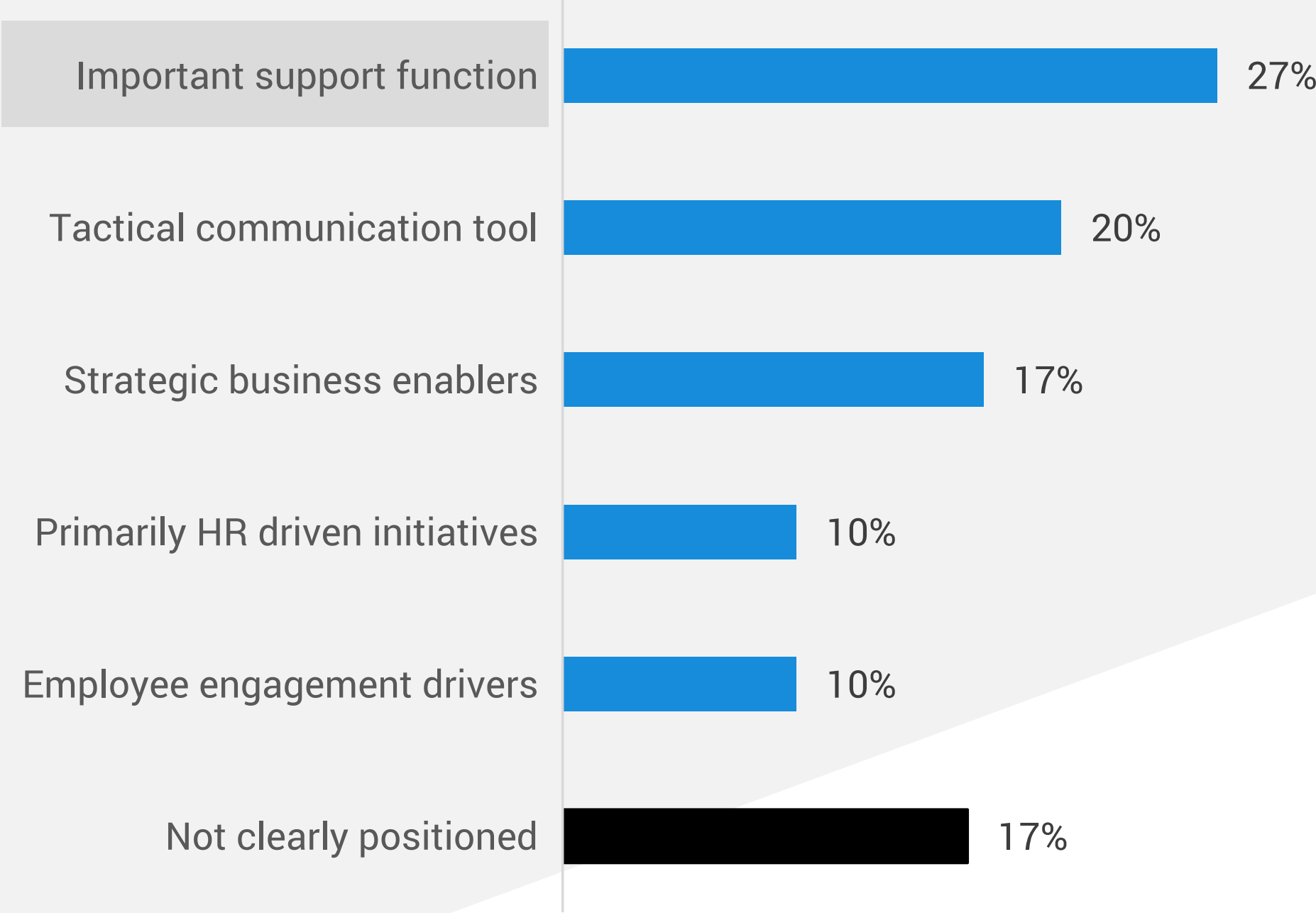
40% OF GULF COMPANIES STRUGGLE TO MAINTAIN A CONSISTENT CULTURE ACROSS LOCATIONS

Note: Respondents could select up to 3 options (n = 124)

LEADERSHIP VIEW ON INTERNAL COMMUNICATIONS

QUESTION: IN YOUR OPINION, HOW DOES SENIOR LEADERSHIP VIEW INTERNAL COMMUNICATIONS WITHIN YOUR COMPANY?

LEADERSHIP VIEW ON IC FUNCTION (% of respondents)



- Leadership most often views Internal Communications as an important support function (27%) rather than a strategic business enabler (17%)

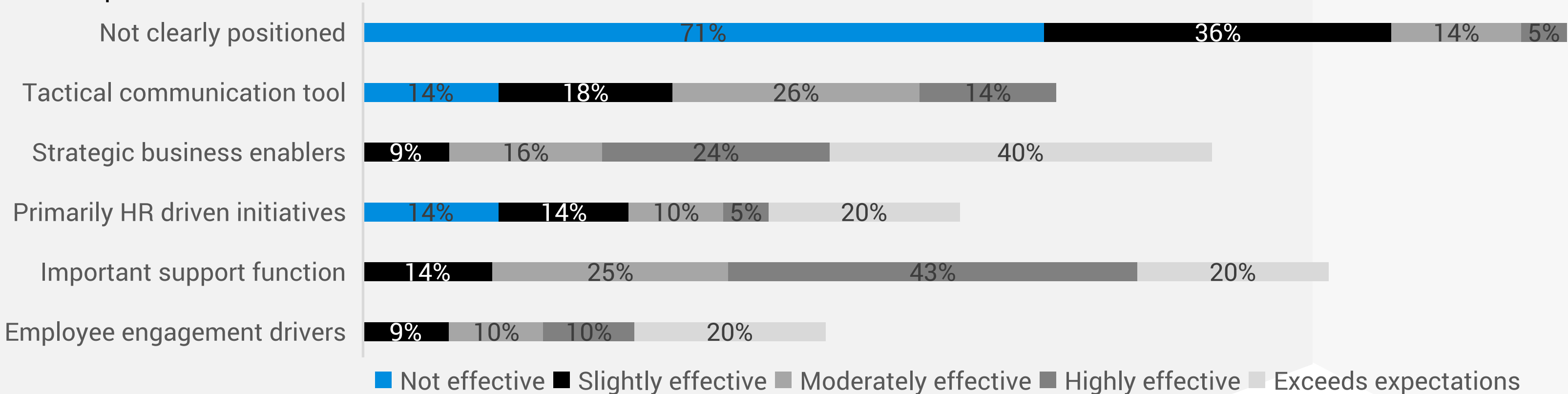
ONLY 17% OF LEADERS SEE INTERNAL COMMS AS A STRATEGIC FUNCTION

LEADERSHIP VIEW ON INTERNAL COMMUNICATIONS BY EFFECTIVENESS LEVEL AND OWNERSHIP

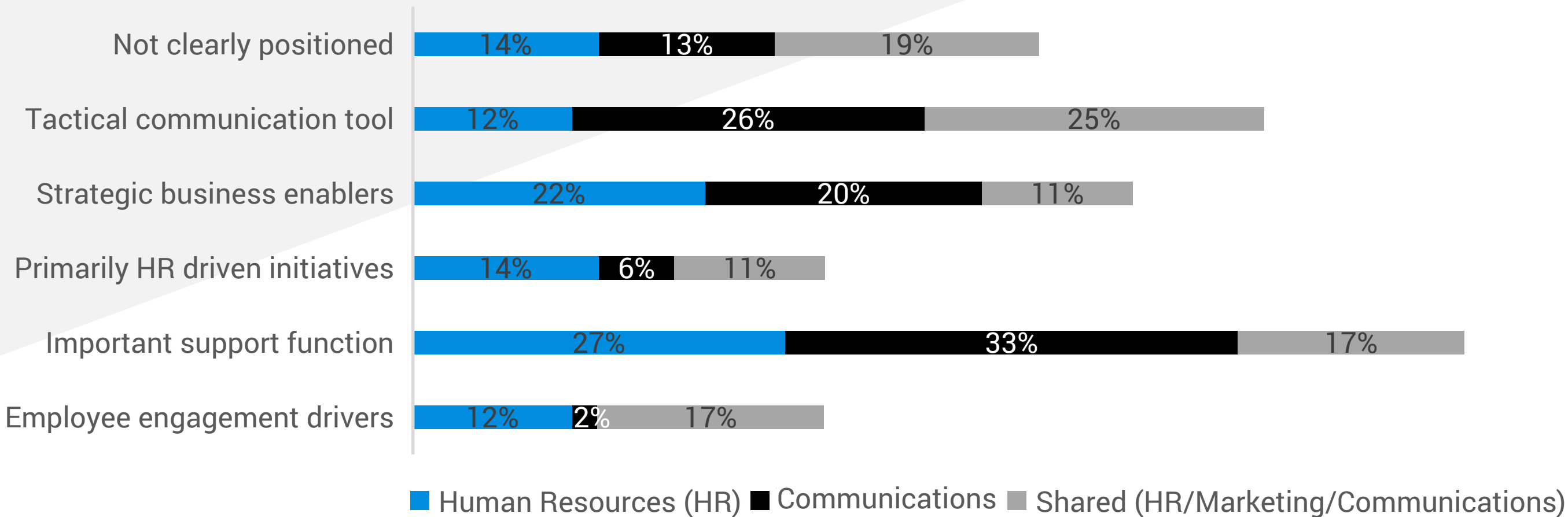
71% OF INEFFECTIVE IC FUNCTIONS ARE NOT CLEARLY POSITIONED

- IC functions that are not clearly positioned are significantly more likely to be ineffective
- Shared ownership is associated with a weaker positioning of the IC function within the organization

LEADERSHIP VIEW OF IC FUNCTION BY EFFECTIVENESS (% of respondents)

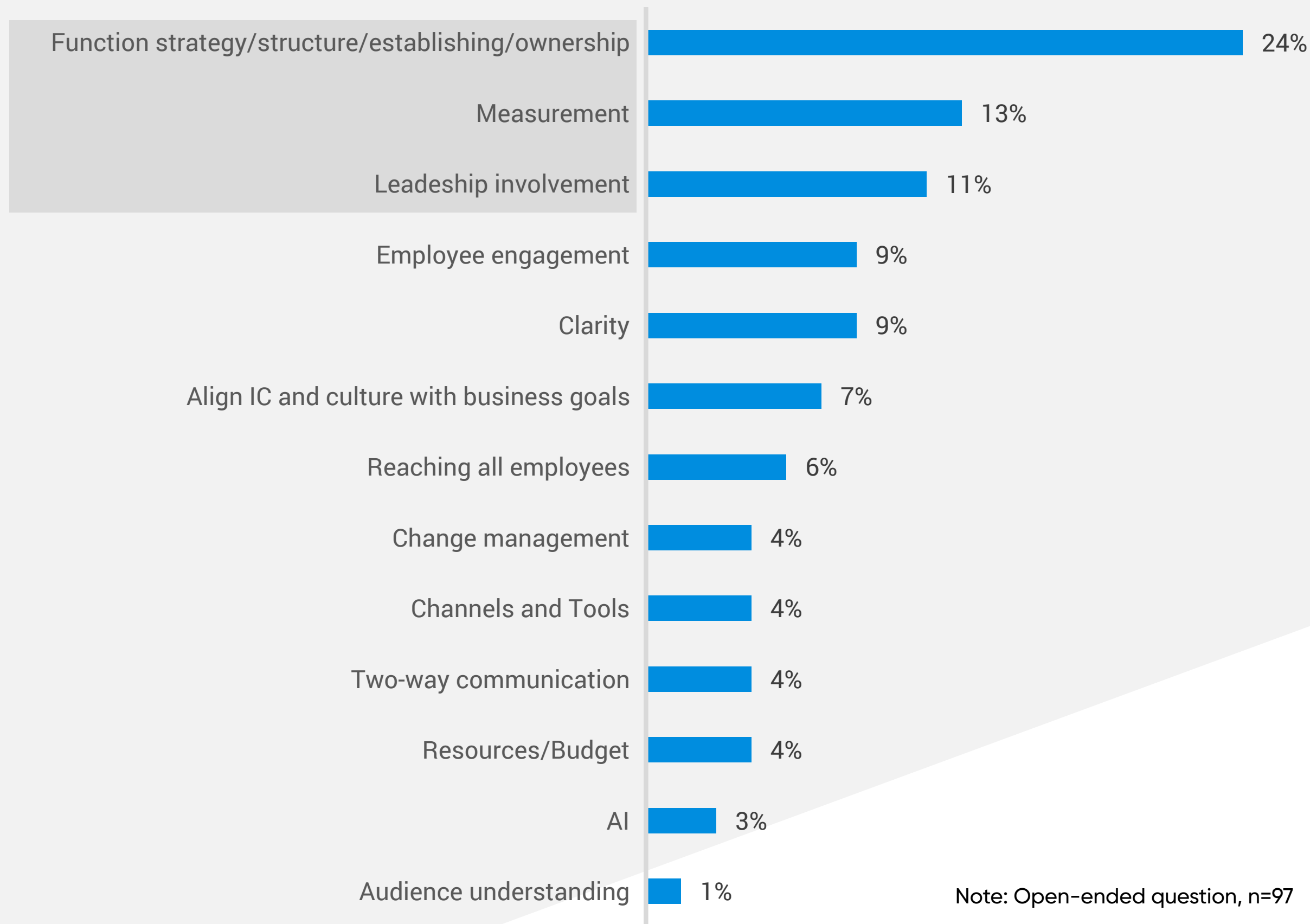


LEADERSHIP VIEW OF IC BY FUNCTION OWNERSHIP (% of companies with the IC Function located in represented departments)



NEEDED IMPROVEMENTS IN INTERNAL COMMUNICATIONS AND CULTURE

TOP AREAS FOR NEEDED IMPROVEMENTS
(% of respondents)



“The biggest area that needs improvement is turning our culture into daily behaviour, not just values on paper”

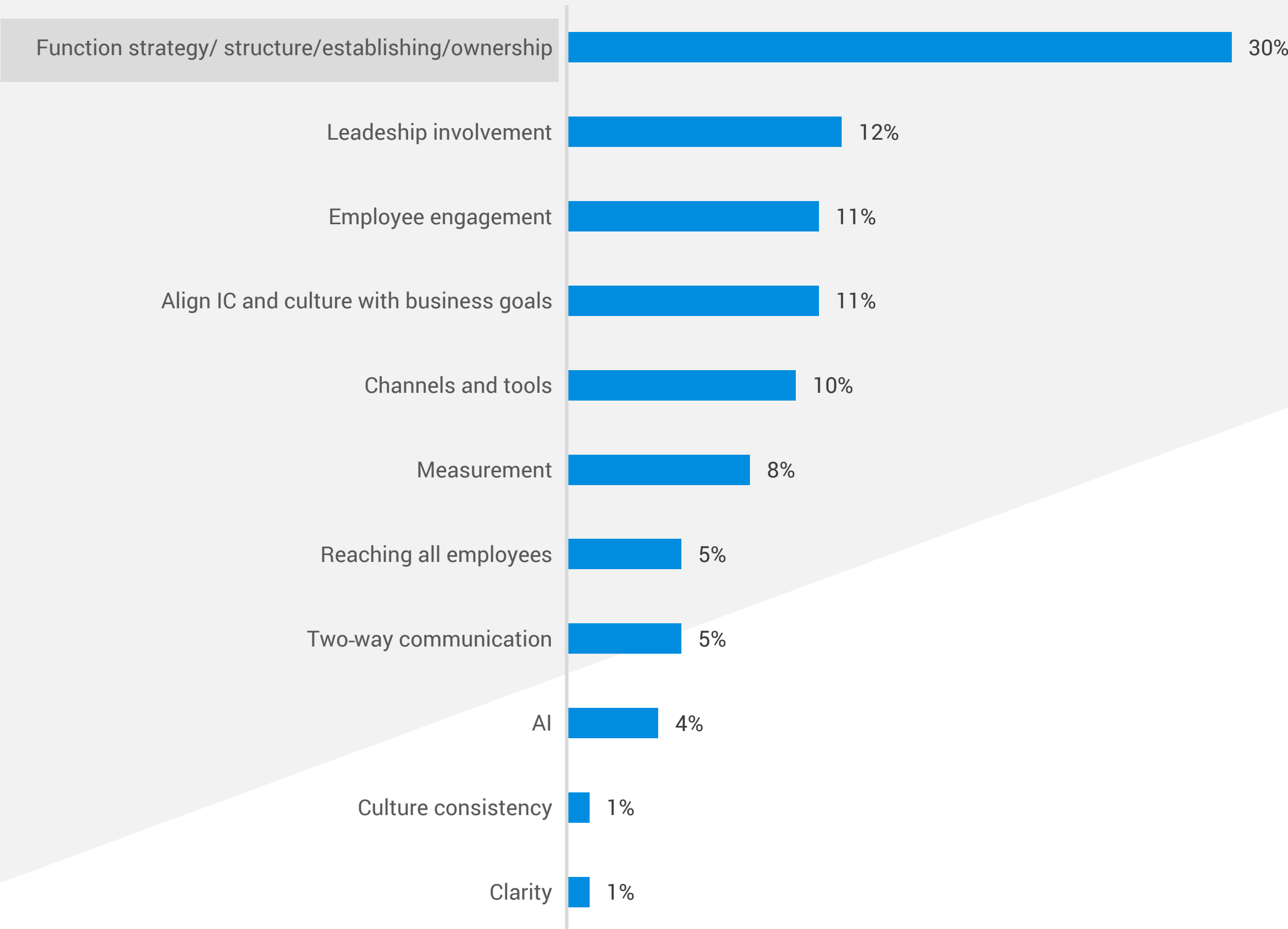
“One of the most important aspects required for the success of internal communication and culture is the decision-maker’s belief in its importance, as well as providing all the resources and capabilities to support the achievement of goals”

“Another key area for improvement is measuring impact. Internal communication efforts should move beyond message delivery to evaluating understanding, behavior change, and engagement levels. Introducing clear KPIs and feedback mechanisms will help strengthen decision-making and continuous improvement”

WE NEED BETTER WAYS TO REACH FRONTLINE, HYBRID, AND FIELD STAFF IN REAL TIME, ON THE DEVICES THEY ACTUALLY USE

PRIORITIES OF INTERNAL COMMUNICATIONS AND CULTURE

TOP PRIORITIES FOR 2026 (% of respondents)



Note: Open-ended question, n=97

“To drive true innovation, we must move away from top-down execution and toward collaborative alignment. Our strategy often exists in a vacuum; this year, the priority is to embed Internal Communications into the decision-making process of every key department.”

“Our focus will be on building a stronger feedback ecosystem, enhancing employee engagement through meaningful touchpoints, and aligning internal communication closely with business strategy.”

“The goal is to shift from operational communication to strategic communication that supports performance, alignment, and organizational growth.”

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2026

AI
GOVERNANCE

part

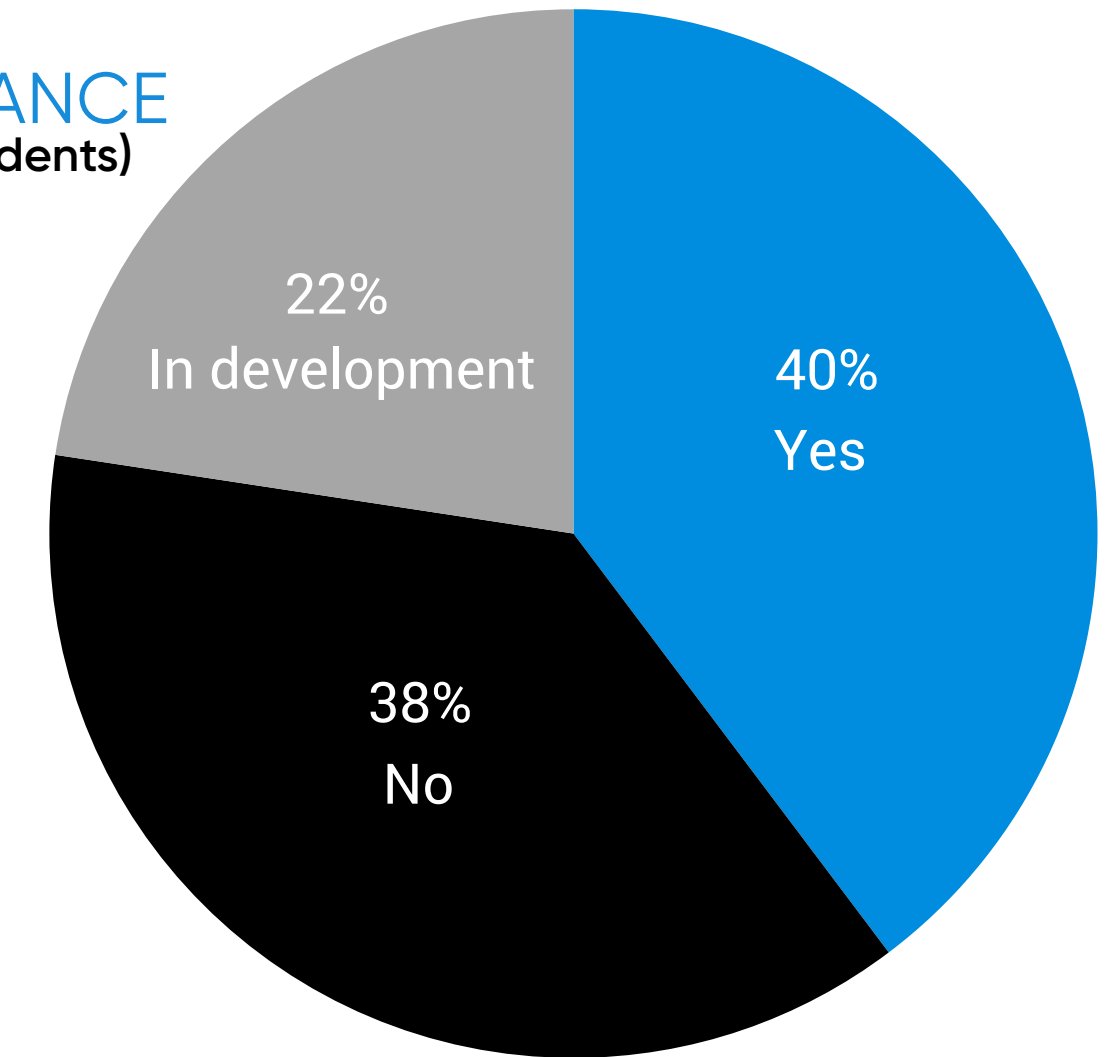
AI Usage

85% OF COMPANIES ALREADY USE AI IN COMMUNICATIONS

- AI adoption in communications is accelerating, with the share of companies not using AI dropping from 26% to 15%.
- Content creation remains the dominant AI use case, now used by around 70% of companies.
- Despite growing adoption, AI governance is still emerging: only 39% of organizations report having employee guidance on AI usage.

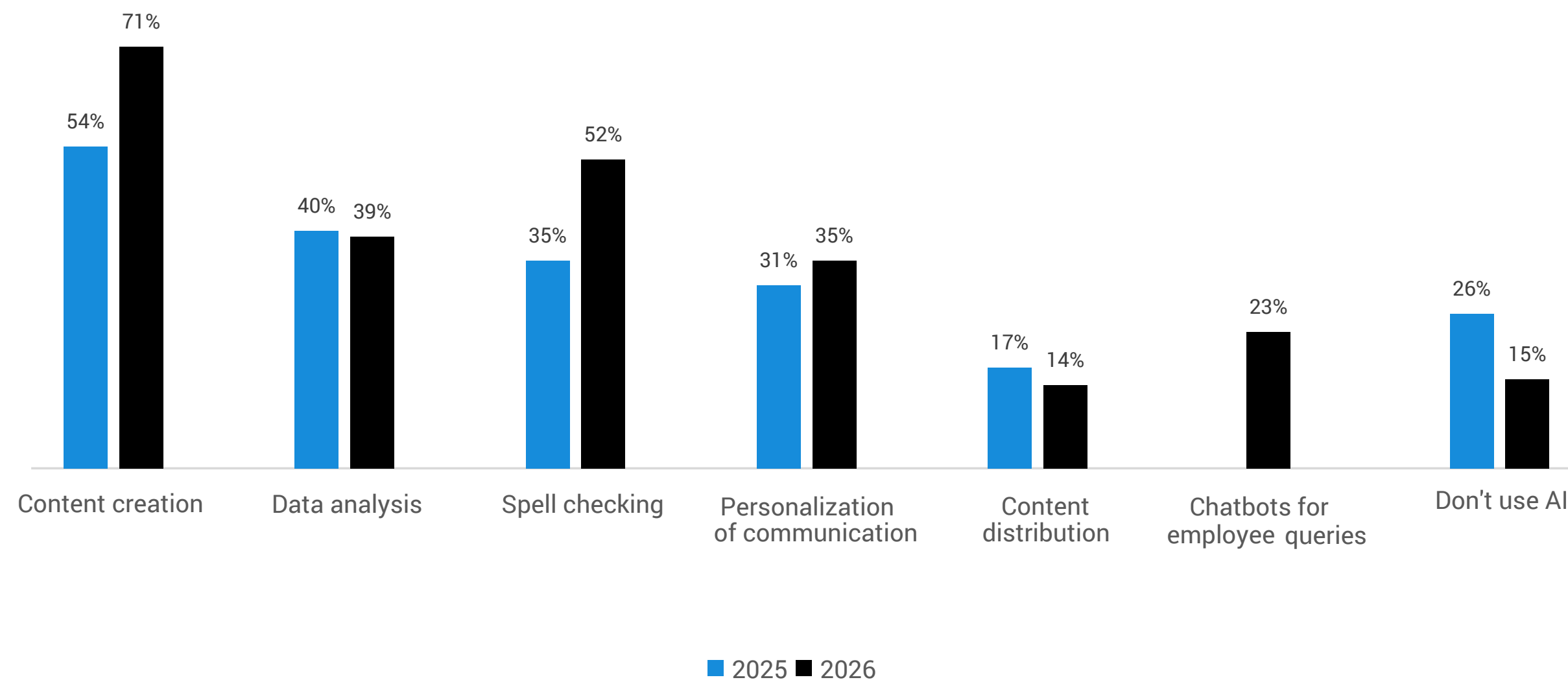
QUESTION: DO YOU HAVE EMPLOYEE GUIDANCE ON AI USAGE IN YOUR COMPANY?

AI GUIDANCE (% of respondents)



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

WAYS OF USING AI (% of respondents)



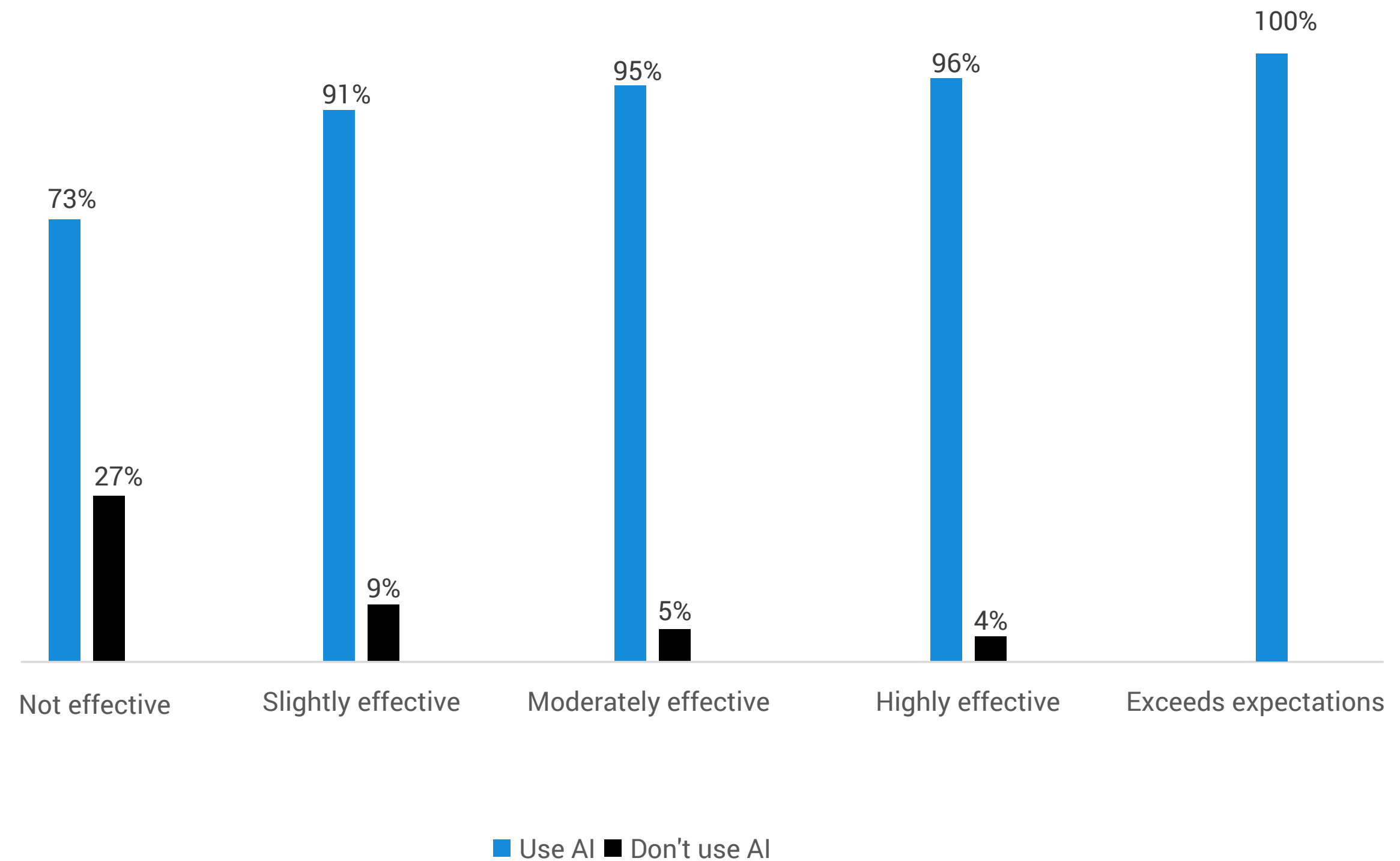
Note: Respondents could select multiple answers (n=146)

AI Usage and Perceived Effectiveness of Internal Communications

96% OF HIGH-PERFORMING IC FUNCTIONS USE AI

- Companies that use AI are significantly more likely to report higher Internal Communications effectiveness.
- Among organizations that rate their IC as highly effective, 96% report using AI.
- In contrast, companies that do not use AI are far more likely to rate their IC function as not effective.

PERCEIVED EFFECTIVENESS OF INTERNAL COMMUNICATIONS VS AI USAGE
(% of respondents)



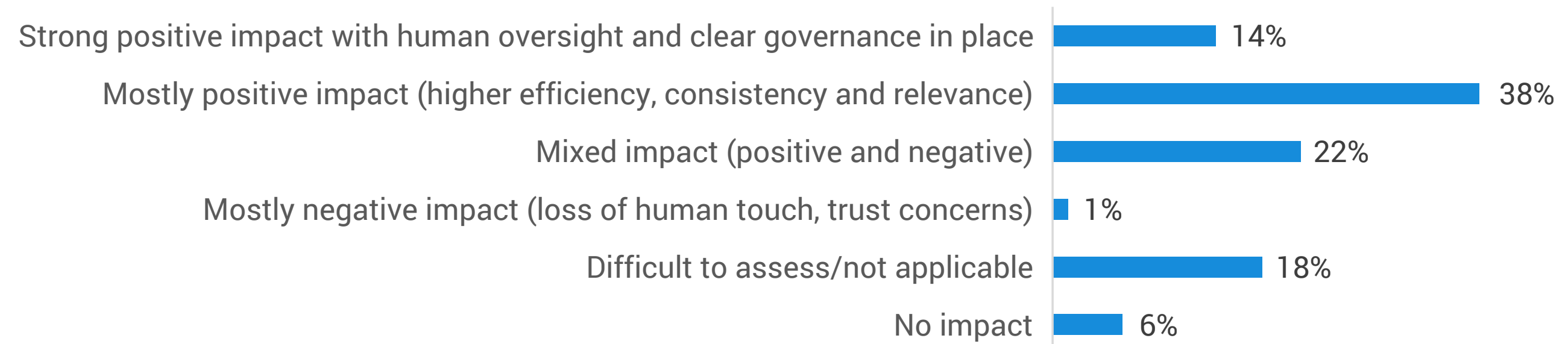
AI Influence on Internal Communications

- AI is largely viewed as beneficial for Internal Communications, with 38% reporting a mostly positive impact and only 1% perceiving a mostly negative effect

AI IMPACT IS LARGELY POSITIVE:
52% REPORT POSITIVE EFFECTS

QUESTION: HOW IS AI INFLUENCING INTERNAL COMMUNICATION QUALITY AND EMPLOYEE EXPERIENCE IN YOUR COMPANY?

AI INFLUENCE ON INTERNAL COMMUNICATIONS (%of respondents)



part

IC&C
GULF LANDSCAPE
2026

CONCLUSION

From presence
to performance

Internal Communications and Corporate Culture have become standard functions across the Gulf.

However, widespread adoption has not yet translated into consistent effectiveness.

Most organizations operate at mid-level maturity, limiting their ability to influence behavior and drive business outcomes at scale.

What differentiates more effective functions is not size or tools, but structural clarity and disciplined measurement.

Without a clear system, even strong initiatives remain fragmented, and their impact is inconsistent across the organization.

The next stage of development lies in building integrated communication and culture systems – where structure, measurement, and alignment enable consistent performance.

Thank you!

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The logo for SAGE XP, featuring the word 'SAGE' in a large, bold, white, sans-serif font with a small 'XP' in a smaller font to its upper right. The logo is set against a blue background that is part of a larger graphic element consisting of two overlapping blue squares of different sizes, one offset to the right and top relative to the other.

SAGE^{XP}

**INTERNAL
COMMUNICATIONS
AND CULTURE**