



# Assessing the Excellence of the Corporate Communication Department

January 2018



Reputation Intelligence Report

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### About the Author

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# Introduction

## 1. Introduction

Reputation is a crucial asset that should be managed adequately. The Board, and specifically the CEO, is the natural first point of reference in maintaining a sound reputation for the firm as a whole. In the daily reality of most businesses this responsibility is outsourced to the corporate communication department. As early as a few decades ago this department's main responsibility was being the spokesperson for the Board. Media relations were the core, but this gradually expanded with messaging efforts aimed at a growing set of stakeholders upon which the company depended. Governments, investors, and finally, employees, became more and more the focus of attention of the communication department. In addition, external pressure intensified (largely due to social media), resulting in a growing demand for more transparency and an intensified dialogue with a variety of external stakeholders.

Boards and communication managers like to know whether their corporate communication department is doing a good job. In this paper we will provide a **self-**

**assessment tool** that managers can apply **to test** the degree of **excellence** of the **communication department**. Three criteria embody the core of this self-assessment tool:

- What is the best *organizational structure* for the communication department? Which specialists are needed? When do they do a good job? What processes exist



What are the quality criteria for communication specialists and coordination mechanisms?

to coordinate ideas among communication managers and the company's objectives with communication specialists? So, in other words, what are the quality criteria for communication specialists and coordination mechanisms? Does the department's

team work with a balanced approach that stimulates relevant communication managers to join forces in an agile way? Does the team work with common starting points in branding and reputation management?


- What kind of resources (budget, people, market intelligence, technology, or conditions that determine a healthy work climate) does such a department need?



- How to create a sound relationship with the C-Suite to ensure that the communication function will indeed contribute to the success of the firm?

This paper presents insights from academic research in combination with global best practices to provide evaluation criteria to determine the degree of excellence of a given corporate communication department. The final section of this paper presents a self-assessment tool that companies can use to evaluate the weaknesses and strengths of their communication department.



A man with grey hair, wearing a light blue button-down shirt, is seated and pointing his right index finger towards a screen. He is looking at the screen. In the background, a woman with dark hair and glasses is looking at the screen. To the right, a woman with blonde hair in a ponytail is seen from the back, also looking at the screen. A man's face is partially visible on the far right. The background is a blurred office environment with bookshelves.

# Organizational Structure



## 2. Organizational Structure

**O**ne size fits all simply does not apply to communication departments. The most appropriate structure depends on the nature of the strategy, the threats and challenges of key external stakeholders the company depends upon, and the degree in which the communication director is taken seriously by the dominant coalition in a firm (Grunig, 1992).

Recent trends like working in an agile fashion, implying a less formal way of working that includes scrums, tribes, and squads are on the brink of transforming communication departments into more flexible and holistic work units. An example can be seen in the recent launch of *communication labs*. Executives at **Johnson & Johnson** see this initiative as the new core of their communication efforts. The essence of what this communication lab does is write stories about the daily actions and achievements of the business units. The traditional division in media relations, public affairs and corporate social responsibility (CSR) is no longer the core structure of

their communication department. Communication managers are expected to be multitaskers instead of super specialists.

Nevertheless, structure still matters, although it is on the brink of important changes. The objective of any organizational structure is “to

achieve more calculable and predictable control over organizational members in order to enhance organizational performance” (March & Simon, 1958).

Organizations have three ‘tools’ to implement an adequate structure:

**specialization** (division of subtasks), **centralization** (simply stated: how coordination will be achieved) and **formalization** (standard procedures, rules and documentation aimed at controlling behavior). The latter can simply be summarized as managing consistency.

Organizations can apply the following checklist in decision-making about how to build an ideal structure for their communication department:



Communication managers are expected to be multitaskers instead of super specialists.

Table 1: Assessing the best structure of a Communication Department

Focus point	Overall questions	Related sub questions
<b>Specialization</b>	Which communication specialists will be needed?	<ul style="list-style-type: none"> <li>• Which stakeholders are crucial?</li> <li>• Which issues are crucial?</li> </ul>
<b>Coordination</b>	How and to whom will the communication specialists report?	<ul style="list-style-type: none"> <li>• To whom will they report?</li> <li>• Which coordination mechanisms are applied to avoid fragmentation in messaging?</li> </ul>
<b>Managing Consistency</b>	How does the firm create consistency in messaging? What are the basic requirements in behavior at the firm?	<ul style="list-style-type: none"> <li>• Which rules are applied in budgeting?</li> <li>• Which common starting points (CSP) are applied to evoke consistency?</li> <li>• Which best practices exist in applying CSPs in an agile way in the corporate communication department?</li> </ul>

## 2.1 Specialization

Organizations can only survive if they get and maintain a license-to-operate from all stakeholders they depend upon. This does not arrive out of thin air. It must be earned and justified by actions combined with authentic and convincing communication. Organizations can apply multiple tactical and strategic media in a variety of stakeholder- or issue-specific communication disciplines. Most (large)

organizations work with *stakeholder focused* communication disciplines, but also (within the context of agility) with *overarching themes* where the communication department must take on responsibility for holistic topics such as internal branding, promoting sustainability, or increasing customer centricity.

A first step in determining which communication specialists an



organization will need is making an inventory of the stakeholders one depends upon (stakeholder map), followed by a list of issues that are crucial challenges in realizing the strategic objectives. The second step is to determine which stakeholders and issues matter most. To do this in an objective way companies can apply the PUL (power, urgency, legitimacy)

method. This enables an organization to select the most important stakeholders using three assessment criteria: Power (the power of a stakeholder to impose its will on the firm), Urgency (immediate action is required) and Legitimacy (actions are desirable and appropriate), Mitchell, et.al. (1997).

*Table 2: Assessing Power, Urgency and Legitimacy per stakeholder group*

<b>Stakeholder</b>	<b>Power</b>	<b>Urgency</b>	<b>Legitimacy</b>
<b>Governments</b>			
<b>Shareholders</b>			
<b>Customers</b>			
<b>Employees</b>			
<b>Labor market</b>			
<b>NGO's</b>			
<b>Media</b>			

The more important a stakeholder is perceived to be by internal decision makers (top management in combination with communication director) on each of the PUL dimensions, the higher the necessity to appoint

communication specialists to communicate with those stakeholders.

This may result include the following specialists in the corporate communication department:

Table 3: Selection of stakeholder specific communication focus points

Stakeholder	
<b>Governments</b>	→ Public Affairs
<b>Shareholders</b>	→ Investor Relations
<b>Customers</b>	→ Marketing Communication
<b>Employees</b>	→ Internal Communication
<b>Labor market</b>	→ Recruitment Communication
<b>NGO's</b>	→ CSR Communication
<b>Media</b>	→ Media Relations

## 2.2 Coordination

Providing strategic input into decision making at the Board level requires a common approach to the variety of communication disciplines. Bringing all disciplines together in one department is not the reality in many companies. An exception is **IBM** where Jon Iwata succeeded to integrate IBM's marketing, communications, and citizenship in one integrated department providing market intelligence, communications, and stewardship of the IBM brand and reputation in more than 170 countries<sup>1</sup>.

<sup>1</sup>

Source:  
<https://www.03.ibm.com/press/us/en/biography/10063.wss>

Most companies still work with several communication departments, despite convincing arguments that result in the opposite. Cornelissen (2008) summarizes these arguments as follows:

- Consolidation and centralization of all communication disciplines increases the impact of the communication function;
- If communication managers want to be heard by top management they need to have a direct reporting line to the CEO. A centralized integrated communication department will be able to do that.
- An integrated communication department will be more capable of creating a culture of

sharing and cross-fertilization of expertise which is expected to increase consistency in messaging.

Despite the tendency to push for an integrated communication department like the one created at IBM, most companies worldwide still have separate marketing communication and corporate communication departments.

This can partly be explained by the nature of the work that needs to be done in these departments. Marketing is a typical line function aimed at supporting sales. The key stakeholder group is the consumer or business client. Corporate communication managers are more focused on protecting the license-to-operate of their firm, which is, by definition, a multi-stakeholder responsibility. Above all it is a staff role aimed at building and maintaining long term relationships with non-commercial groups for the organization. The differences are clear. Nevertheless, it has become common practice

that both specialists are contributing to the performance of the same firm and, as logical consequence, must align their efforts.

Fragmentation in communication is costly and decreases the impact of messaging efforts aimed at building and maintaining a sound reputation. Decentralization can be a rational choice in a firm that operates with a financial holding structure in which the Board has outsourced most business decisions to locally operating units. However, when a Board has more power (and responsibility) at the centralized level, they will likely choose a centralized governance as fragmentation is easier to avoid in a centralized structure. Whether the firm prefers a centralized or a decentralized structure, communication must be effectively coordinated. Communication departments can apply four mechanisms to attune messaging at tactical and strategical levels (based on Grant, 1996):

Table 4: Coordination Mechanisms

Rules & Directives	Sequencing	Routines	Group Problem Solving
<b>What is it?</b>  <b>Consists of procedures, rules, standardized information and communication systems</b>	<b>What is it?</b>  Organizing the process so that the input of a specialist is logically linked to the inputs and outputs of other specialists	<b>What is it?</b>  The application of replicable actions automatically making use of implicit mental scripts for handling situations in communication challenges	<b>What is it?</b>  Personal interactions and communications customized to the situation
<b>How to do it?</b>  <b>Common starting points (vision, values) translated in a corporate story</b>	<b>How to do it?</b>  Clarity in reporting lines, tasks, budgets	<b>How to do it?</b>  Developing protocols that define the 'ideal' approach in a communication	<b>How to do it?</b>  Reputation Steering Committee
<b>How to implement it? Common house style</b>  <b>corporate guidelines (CSR, branding)</b>	<b>How to implement it?</b>  Organizing the communication efforts in a specific order to avoid overlap or inconsistencies	<b>How to implement it?</b> Specific training aimed at routinizing the protocol in daily actions	<b>How to implement it?</b> Annual/quarterly review and ad hoc meetings
<b>How to internalize it? Centralization of budgeting decisions</b>	<b>How to internalize it?</b>  Clear link between the business life cycle and communication efforts	<b>How to internalize it?</b> Crisis training in real life settings	<b>How to internalize it?</b> Digital platforms

Companies apply all four coordination mechanisms in daily practice. Most communication departments are familiar with rules and directives, routinizing, and group problem solving. The latter

may work well in some situations, however the long-term expenses and impact is often limited. The basic principle of sequencing is less well-known and, therefore, not often applied in practice.



## 2.3 Managing Consistency

The romantic view about the work of communication professionals is that protocols that describe in detail what should be done in specific situations are not only undesirable, but above all undoable.

Agile scrums are the fashion of the day. **Scrums (term borrowed from the sport of rugby)** can be described as a collaborative framework that breaks down large processes into small pieces that streamline

efficiency in an agile way<sup>2</sup>. Face-to-face conversations are the heart and soul of agile projects.

An agile style of working is no doubt relevant in situations where firms must develop creative campaigns or react immediately to external and internal challenges. Due to digitalization and the necessity to react swiftly to stakeholder reactions on the internet, a more flexible communication style has become a necessity.

Nevertheless, it is also still relevant to have a kind of *bandwidth that describes the common starting points* for professionals in either stakeholder or issue-focused

specializations in communication.

An example can be found in what's known as the gold standard communications report that was developed by former **General Electric** communications leader, Gary Sheffer. This internal report

presents behavioral outlines for eight categories of expertise that are essential to the success of both individual communication specialists and the organization they serve.



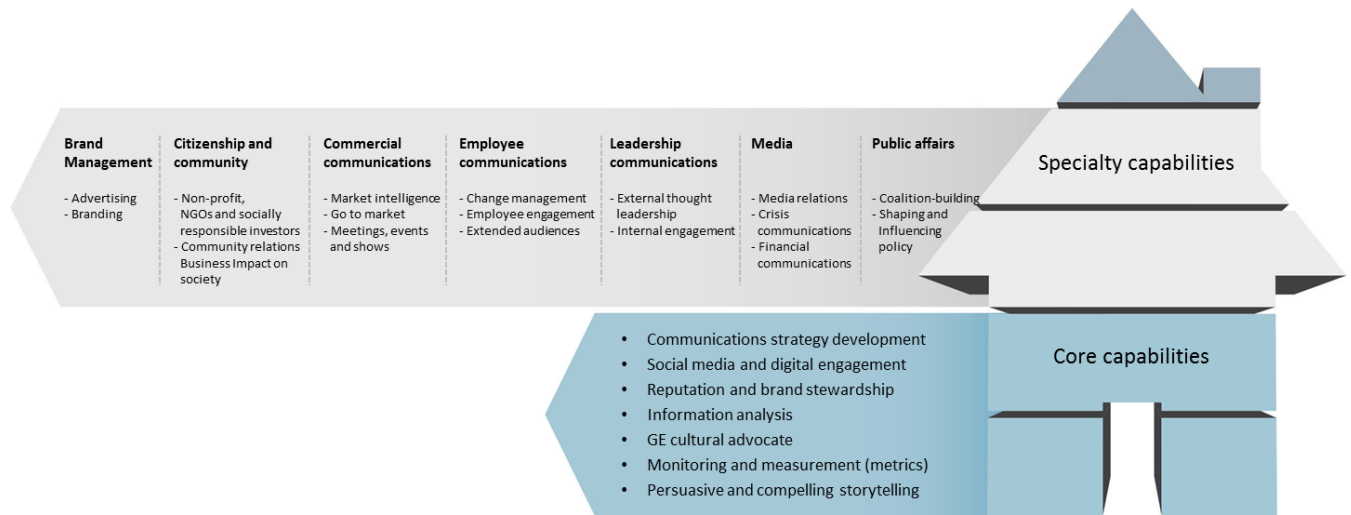
A more flexible  
communication style  
has become a necessity.

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<sup>2</sup> Source:

<http://searchsoftwarequality.techtarget.com/definition/Scrum>

Figure 1: House of the Gold Standard (GE)



A man with dark, wavy hair, wearing a dark pinstriped suit, a light blue shirt, and a dark tie, is shown in profile. He is looking off to the side with a thoughtful expression, his hand resting near his chin. The background is a blurred indoor setting with warm lighting.

# Necessary Resources

### 3. Necessary Resources

Excellent communication departments have five sets of resources: sufficient budgets, qualified and ambitious people, up-to-date market intelligence, a positive work climate, and the newest developments in technology.

#### 3.1 Budgets

Companies can apply various budget allocation methods. Most communication departments work with 'historical extrapolation.' This implies that companies simply increase or decrease (depending on the financial health of their firm) the budget of the previous year within 5 to 10%. This varies per industry. In some sectors – financial, insurance, energy, and airline – budgets are higher. While industries such as IT, building and construction, and semi-public sectors with few competitors, have lower budgets. On average, the total budget for

corporate communication (excluding marketing communication) is 1 to 3 per thousand of the total turnover.

A new development in budgeting is the so-called *ad hoc-add on* trend we see in many large companies worldwide. The fixed budgets of 1 to 3 per thousand of the annual turnover is often augmented with sometimes millions and millions of additional budget dollars based on

crucial strategic changes that happen after the budgets have been allocated to the communication department. In contrast to the standard plus/minus 5-10% compared to the previous year, this additional budget allocation is purely based on the

ability to present a convincing business case to the Board.



Excellent  
communication  
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sets of resources.



**KPN** has a fixed budget for communication that is a little more than 1% of the annual revenue. This is spent on Marketing Communications and other modes of comms such as Sponsoring, Employee Communications, Branded Content, and Events. The budget of the department responsible for Corporate Communication and Corporate Social Responsibility has been doubled in the last 10 years. The reason is simple, according to the CCO of KPN, Hans Koeleman: “Rebuilding a reputation – which we did – requires substantial investments in areas such as stakeholder management, state of the art digital tools (as an ICT company), Sponsoring and Corporate Social Responsibility. This is about 3 thousand of the total turnover. There is a serious baseline yearly budget available for all these things, on top of which we present business cases to the Board explaining the necessity to add extra budget for new efforts that have to start due to commercial or societal reasons. When we, for example, announced to move our headquarters from The Hague to Rotterdam, we increased our involvement with the local community. We became ICT partner of the spectacular new Depot that Boymans van Beuningen (art museum in Rotterdam) is going to build and we also supported their blockbuster Surrealism-exhibition. We will also support the World Championship Short Track in the Ahoy stadium and the Rotterdam Harbour Days. Another example is the next Cool Rink initiative, in which the Olympic Athletic stadium in Amsterdam (originally built for the Olympics of 1928) is turned into an ice stadium during the next Olympic Winter Games in Pyong Yang. KPN is going to invite hundreds of thousands of customers for a free skate tour and to enjoy the World Championship skating of 2018. All these examples are seen as spontaneous extra commercial opportunities for which the Board granted us a substantial extra budget. Not because it is nice to have as KPN, but simply because it is a substantial building block in our commercial operation.”

A substantial part of a communication budget is the salaries of the communication staff. An annual study by the **EACD** (Zerfass, 2014) shows that most people in communication roles earn between \$30 and \$90K on an annual base. In contrast, the Chief

Communication Officers or Directors make on average three

times as much as the highest paid person in his or her department. This trend repeats itself when we compare the salary of the CCO compared with the CEO (again at least three times as high as the CCO). The pay gap with other staff Directors is also wide, and unfortunately not in favor of the director of corporate communication.

## 3.2 Skills

Communication managers can be organized into various levels of professionalism. Obviously, each level is linked to a different set of skills. Cornelissen (2008) distinguishes in general the *technician* (novice and

experienced) and the *manager* role (communication manager and communication director). The higher the responsibility and experience, the more communication managers must know about concepts like

stakeholder, identity and reputation, both from a theoretical and more practical point of view (knowing how to gather data about these topics, knowing how to produce relevant materials to have a dialogue with the crucial stakeholders and developing communication strategies, programs and plans to manage the related process effectively). (Cornelissen, 2008, 159-162).

Communication directors are supposed to have, in addition to the aforementioned competences and skills, the following overall skills:

- **Communication skills:** Obtain information, critique, edit, write and speak effectively.
- **Stakeholder integration skills:** Build public trust and enhance reputation.
- **Leadership skills:** Know business complexities and act as a strategic partner.

- **Business skills:** Understand stakeholders, products, and markets.
- **Context awareness skills:** Understand the corporate environment and related legal and policy requirements.
- **Change management skills:** Initiate and manage change processes internally and externally.

Chief Communication Officers (CCOs) believe that business skills are a crucial part of CCO success. But, the perception of their own business skills is low in comparison to the other above-mentioned skills (van Riel & Baumann, 2013). CCOs often believe they hold outstanding communication, stakeholder management, and leadership skills (especially change management skills), while, in their view, their own context awareness skills and business skills are typically less developed.

*Table 5: Results skills & capabilities CCO (van Riel & Baumann, 2013)*

CCO's Skills & Capabilities	CCO Evaluation of own skills	Most crucial skills for a successful CCO
<b>Communication skills</b> , including an ability to obtain information, critique, edit and write and speak effectively.	81.1	4.5%
<b>Stakeholder integration skills</b> or the ability to build public trust and enhance the reputation of the business.	80.7	3.2%
<b>Leadership skills</b> , including knowledge of business complexities and an ability to act as strategic partner with executives and managers.	80.2	3.4%
<b>Context awareness skills</b> , which involves knowledge of the corporate environment and related legal, regulatory and policy requirements.	78.8	4.3%
<b>Business skills</b> , including an understanding of external and internal customers, products and markets.	77.3	5.2%
<b>Sales support skills</b> , or an understanding of how to integrate diverse media channels to help promote products, services and organizations	70.4	1.7%

### 3.3 Work climate

Successful corporate communication departments possess more than employees who embody these skills. At least as important is the work climate of the department. Excellence is not only achieved by having the right skills and resources, it also requires a healthy culture in which

employees feel stimulated to go the extra mile.

Are all employees aligned with the objectives of the department? Do they like the work they are doing and, above all, do they feel appreciated? Is there a healthy work-life balance?

### 3.2 Market intelligence

Professional communication departments no longer rely solely on gut feeling or reading the most relevant newspapers. They gather market intelligence from a broad variety of sources to understand what societal and industry trends exist that may impact their firm in the short and the long run.

In general, four complementary focus points in gathering internal and external market intelligence can be distinguished as illustrated in the following figure. *Customer satisfaction* is often tracked by Net Promotor Score (NPS) combined with more extensive customer satisfaction studies. The objective of

these studies is to collect insights

that provide the firm with a fair predictor of the degree to which existing clients will maintain their purchase intentions.

Internally, most companies around the globe measure *employee satisfaction* with annual surveys that measure the degree of engagement with the firm among all employees. The objective of these studies is to have a

sound indicator of the retention preparedness of the existing workforce plus having the ability to adjust if employee engagement is waning.



Excellence is not only achieved by having the right skills and resources, it also requires a healthy culture in which employees feel stimulated to go the extra mile.?

More and more companies, especially the large ones, systematically measure their *reputation*, for example with RepTrak®. The objective of reputation research is to have an objective barometer to assess the license-to-operate in society at large. Frequently, companies also want to know the support (or lack thereof) among special stakeholders, like opinion leaders, regulators, or specific age groups like millennials.

A new development in gathering intelligence is tracking *supportive behavior among employees* towards the strategy of the firm. Do employees really show support in their daily actions in the context of the strategy? This is measured with RepTrak® Strategic Alignment Monitor. The objective here is to find out in time to what degree employees show supportive behavior and above all, if that appears to be insufficient, how can this be explained and repaired if necessary.

Figure 2: Four focus points



Top performers in reputation management spend on average 5 to 10% of their total communication budget on market intelligence in all above-mentioned fields, with the exception of customer satisfaction

studies. Budgets for marketing research are still substantially higher.



### 3.3 Technology

We are in the midst of the information age which according to Wikipedia<sup>3</sup> is a period in human history characterized by the shift from industrial production to one based on digital information. This has strongly impacted the way organizations communicate and interact with stakeholders. Digital channels, most specifically, social media, have strongly empowered stakeholders. It is much easier now for a variety of stakeholders to have a voice regarding corporate behaviors they like or dislike. On the other hand, firms now have the ability to start a dialogue with groups and individuals to explain (against relative low expenses) their point of view about topics that evoke societal debates.

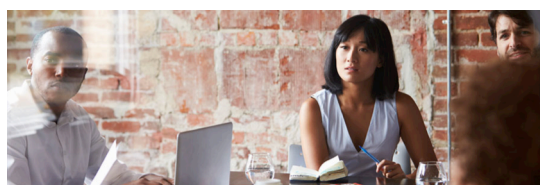
However, organizations cannot simply start a Facebook page or a Twitter profile and hope that marketing magic will happen. Beginning a serious dialogue with stakeholders a firm depends upon

goes a step beyond internet marketing tactics, like banner advertising, sponsorships, paid searches and so on (Belch & Belch, 2007). Digital dialogues require a fundamental shift in the attitude of the communication department. Corporate communication professionals must understand and embrace trends in public opinion

expressed on social media at an early stage. Reactions to statements on social media should be 100% outside-in instead of inside-out focused. Above all, the reaction must be quick and agile.

Developments like the growing importance of artificial intelligence, machine learning,

drone technology, virtual and augmented reality systems require a fundamental shift in the necessary capabilities of communication specialists now, but surely in the coming years.



Digital channels, most specifically, social media, have strongly empowered stakeholders.

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<sup>3</sup> Source:  
[https://en.wikipedia.org/wiki/Information\\_Age](https://en.wikipedia.org/wiki/Information_Age)

*Case study: **Pepsi's** Kendall Jenner commercial*

An interesting example of an agile way of working with social media is the case surrounding Pepsi's Kendall Jenner commercial, in which Jenner joins a crowd that approaches a line of police officers. What could be a tense standoff in the real world defuses into cheers and smiles when Jenner picks up a can of cola and offers it to an officer. The Guardian comments that "The image of Jenner approaching the police clearly referenced the iconic photograph of Leshia Evans, a black woman who stood tall in the face of heavily armored riot police during a Black Lives Matter protest following the fatal shooting of Alton Sterling by police in 2016"<sup>4</sup>. Within 48 hours the video earned nearly 1.6 million views<sup>5</sup>. Pepsi had taken down the ad within a day of its debut, followed by this apology: "Pepsi was trying to project a global message of unity, peace and understanding. Clearly, we missed the mark and apologize."

*Case study: **Heineken's** Worlds Apart commercial*

Heineken's "Worlds Apart" commercial presents real conversations between people who hold opposite beliefs and are confronted with each other's viewpoints. They eventually find common ground over a nice, cold Heineken.



<https://www.youtube.com/watch?v=8wYXw4K0A3g>

<sup>4</sup> Source: <https://www.theguardian.com/media/2017/apr/05/pepsi-kendall-jenner-pepsi-apology-ad-protest>

<sup>5</sup> Source: <https://www.wired.com/2017/04/pepsi-ad-internet-response/>

27/heineken-worlds-apart-ad\_16301068.html

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Heineken 'Worlds Apart' Ad Is A Beautiful Blend Of Beer And Politics

Andre Varty

HuffPost Canada

Click to play full video

00:41

beer manufacturer recently

Heineken debuts politically-charged, anti-Pepsi ad

Worlds Apart: An Experiment

Paycor

Top Signs Your Recruiting Process is Inefficient

AdChoices

[http://www.huffingtonpost.ca/2017/04/27/heineken-worlds-apart-ad\\_n\\_16301068.html](http://www.huffingtonpost.ca/2017/04/27/heineken-worlds-apart-ad_n_16301068.html)

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Advertising

That Heineken ad: brewer tackles how to talk to your political opposite

The Worlds Apart campaign may be an antidote to the disastrous Pepsi/Kendall Jenner ad but will success on-screen mean success off?

Elle Hunt

@mle\_elle

Fri 28 Apr 2017 04:10 EDT

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he way advertising works these days, you may have seen Heineken's latest spot recurring on your social media feeds under superlative

23

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<https://www.theguardian.com/media/2017/apr/28/that-heineken-ad-does-it-land-with-the-audiences-other-beers-cannot-reach>

In a time when leaders may not be as interested in what the other side has to say while trying to run the world through tweets, the commercial struck a chord with global audiences. Soon after its U.K. launch, the commercial was picked up by opinion leading on-line media in the U.S. such as The Huffington Post, FastCompany, The Drum, and The Daily Beast. The video went viral after that and was circulated by traditional media in addition to a worldwide audience of millions. The Heineken ad, unlike Pepsi, was overwhelmingly received in a positive light, as illustrated on social media:

*Heineken is praised for its powerful new 'Worlds Apart' commercial which is being touted as the 'ad Pepsi wishes it made' (Mail Online), The beer commercial everyone needs to see (Independent).*

The Pepsi and Heineken examples show that understanding stakeholders and the context in which they are moving is crucial. According to Malthouse et al. (2013), the following aspects are crucial for a successful social media strategy.

## **I. Empowering culture**

A company must foster a culture of using social media. Leaders should embrace social media and actively participate and engage in social media to stimulate employees to do the same.

Accordingly, employees can function as spokespeople for the company and promote diffusion and proliferation of social media throughout all levels and across all functions of the organization.

## **II. Employee skills**

Companies must identify, attract and develop people whose skillsets are relevant to the world of social media and its heavy reliance on data analysis. Thus, organizations need data scientists to understand

big data and to be able to act upon it in the social media arena.

## **III. Operational excellence**

Social media needs to be integrated with other touchpoints. There must be no silo thinking or doing, but there must be one coherent and consistent messaging approach.





# Sound Relation with C-Suite

## 4. Sound Relation with C-Suite

In the past, a frequent complaint of communication managers was that they were not taken seriously by top-level management. This may have been true, but now the expectations of top management regarding the support they expect to get from communication professionals has increased. This is rooted in two trends. On the one hand, it is the result of a further professionalization of the communication manager. She or he is now more accustomed to presenting fact-based business cases that show returns on communication investments. Board members and CEOs are under high pressure to show the added value of their work to internal and external stakeholders (customers plus a range of stakeholders that all stress 'their' stake in the company). Based on these two complementary trends communication managers should no longer need be focused on internal challenges but simply put themselves in the driver's seat and be proactive about how to show the added value of their work for the firm.



The expectations of top management regarding the support they expect to get from communication professionals has increased.

According to the **Arthur Page Society** (2007), CEOs primarily demand having a business performance focus and demand the following characteristics from a communication director (CCO): Detailed knowledge of the business, extensive communications background, a crystal ball, extensive internal relationships, a team player and an educator. Van Riel & Baumann (2013) have done a global survey among CCOs and that study shows that not all CCOs are ready to meet

the demands of the present CEOs. They do interact a lot with the CEO, but less on business topics. In addition, they lack sufficient contacts with other top managers, both at the C-Suite level and with the business units. In sum, the CCO will have to intensify business skills and interactions with managers

who are directly responsible for the business if they want to be a full member of the dominant coalition in a firm. It would help if the majority of the CCOs would not see their present position as the crown on their career, but as a logical step in becoming a Board member and (why not?) a CEO. This would stress even more the necessity to show



that corporate communication is first and for all 'corporate' and only then 'communication'.

A recent study by Broome & Yasar (2016) shows that already several CCOs made that upward step in their career and with great success.

*Broome & Yasar (2016): "Industry studies estimate that one-third of a chief executive's time is now spent communicating. But where are CEOs expected to learn such skills? As an alignment grows between what is expected of successful CEOs and the vast experience in this field of corporate affairs heads, is there potential for a new generation of corporate leaders to spring from the ranks of professionals with a predominant background in corporate communications? Is it time for a more ambitious industry debate to raise the profile of our profession as a strong foundation for the potential CEOs of the future?"*

From our own research conducted across 150 corporate affairs directors, one in five had considered progressing into a broader general management role. Clearly the ambition to make such a transition exists. Yet a comparative lack of industry role models to emulate who are known to have had a communications background could be responsible for this relatively low percentile. The positive news is that the path is beginning to be marked out by some high-profile pioneers. Indeed, prime minister David Cameron was once director of corporate affairs for television company Carlton, now part of ITV. Many other examples can be seen now like Sue Clark of SABMiller and John Fallon of Pearson."

## Practical implications

Building and, above all, maintaining an excellent communication department is a challenge for many businesses. We hope to have provided an overview of the core components one must take into consideration if one wants to have an excellent communication department. To simplify decision making about this topic we have developed an **automated self-assessment tool** that can be used to check the present degree of professionalism of a given communication department. The best approach is to use the outcomes of the tool in a workshop format, taking the time to discuss the results with experts before presenting the self-assessment report to the Board.

Be prepared to show them where excellence is already in place and where opportunities exist. Based on such a report, CCOs can develop a business case in which they can ask, if relevant, for additional resources to upgrade the quality of the communication department and, as a logical consequence, of the contribution that this department can make to the success of the firm.

## Self-assessment tool to determine excellence of a Corporate Communication Department

	Self-Assessment Topic	Score	Norm	Weighting	
Structure	Communication Specialists	13,0	15	<5 is red	87%
	Coordination	4,2	5	<2 is red	83%
	Guidelines & Protocols	4,1	5	<2 is red	81%
Resources	Budget	6,0	10	<4 is red	60%
	Skills	8,0	10	<5 is red	80%
	Work Climate	4,3	5	<2 is red	87%
	Market Intelligence	10,5	15	<7 is red	70%
	Technology	7,0	10	<4 is red	70%
C-Suite relations	C-Suite Relationship	19,6	25	<10 is red	78%
Results		76,6	100		

Interpretation overall results

< 40 points: Serious problem

41 - 55 points: Work immediately on the red flags

56 - 75 points: Above average ut still work to be done

76-100 points: Excellent corporate communication department

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