



PR360

New Times, New Leaders

CEO Communications Report | 2019



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**Knowing why, what and
how to communicate,
internally and with the
wider world, is the CEO's
most powerful asset.**

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PR360°

Foreword



The world of the CEO is a world of competing priorities. Clients must be kept happy, new work must be won, and employees attracted and retained. The one thread that ties these disparate business strands together – and makes them work in unison – is communications. Knowing why, what and how to communicate, internally and with the wider world, is the CEO's most powerful asset.

Understanding its power requires understanding how the world of business has changed over the last decade. The internet has brought the commercial world closer to the consumer, creating new relationship dynamics. The clothes shop, the pharmaceutical company and the whiskey distillery no longer simply 'sell products' but join us in conversation, promote causes, and take stands in social, cultural and political matters.

The Irish economy is robust, but there are still thousands of unfilled vacancies for highly skilled, high-paying jobs. Planned expansions by Facebook, Salesforce and others will intensify the raging war for talent. Employees are educated. They know the market value of their skills and follow trends in the workplace and the economy. They seek more from their employer than just a salary. Younger professionals in particular want to work for companies with vision, ambition, and purpose.

What hasn't changed is the fact that companies still need a committed workforce to drive innovation and revenue growth. For CEOs to achieve this goal in such a competitive economy, they first need to

cultivate a loyal, passionate staff that truly believe in their company and objectives. But how?

The CEO isn't just the suit at the top of the food chain. In a post-Steve Jobs world where a monthly payslip is no longer the be-all and end-all, CEOs are visionaries and leaders as much as they are businesspeople. They are 'scene-setters' and 'culture-shapers', and employees look to them for information, guidance, and inspiration. This new, redefined relationship can only be kept healthy if the CEO ensures that authentic, transparent communications are at the heart of every business strategy. If that relationship is allowed to deteriorate, disillusionment follows.

This first edition of the PR360 CEO Communications Report, *New Times, New Leaders*, shows that while most Irish CEOs get the basics of communications right and understand (in principle) the importance of open channels with their employees, their lack of an overarching communications strategy is harming morale and productivity, especially during times of change.

Getting communications right impacts the bottom line. A successful organisation is built on successful communication, which in turn is only made possible by a successful organisational culture. It's the CEO's job to lead from the front and own the role of the culture-shaper.

A handwritten signature in black ink that reads "Dan Pender". The signature is fluid and cursive, with a large initial 'D'.

Dan Pender
Managing Director, PR360



Key findings

82%

82% of employees believe that regular company-wide communication from the head of their organisation is important.

89%

Among this group, 89% say regular company-wide communication is good for morale and makes employees more productive.

87%

87% say it's important that workers have a sense of what's happening at the company and what it's striving to achieve.

However

38%

38% of employees have heard a news story about their employer in the media before it was communicated internally at least once before.

44%

44% of employees say that the most senior person in their organisation isn't visible to staff and discourages people from dropping into their office.

40%

40% say that their senior leader rates "okay", "poor" or "very poor" for their communication ability.

Recommendations

What steps can CEOs take to improve their communications?

Authenticity and transparency

1. Be human

It's difficult for anyone to empathise with, let alone feel inspired by, an automaton. Employees and stakeholders respond best to CEOs who are authentic, forthright and transparent in their words, deeds and vision. In other words, people gravitate towards CEOs who are *human*.

Authentic, human interaction with employees starts with the CEO valuing their staff's stake in the business. That means regular communication with everyone – be it in the elevator or at a meeting – regardless of rank or years served, and ensuring that all employees fully understand the company's goals and objectives in the short and long term.

2. Look after your own

Companies and CEOs that consistently undervalue the importance of internal communications will find themselves undermined from the inside. Employees with no sense of value in what they are doing or no understanding of their role in the company will quickly grow disillusioned.

Employees are business stakeholders, and the most important ones at that. If they lose faith in their CEO and company, the business will suffer as a result. Prioritise internal communications and lead by example.

Keep staff in the loop: let them know how the company is doing in a weekly email update. Host regular townhall meetings and personally address questions. The smartest CEOs embrace experimentation: they don a chef's hat and serve food and drinks to their employees in the canteen or make an effort to regularly tour global offices. They are seen and heard.

3. Foster understanding

CEOs frequently need to make tough decisions that impact on the business and its employees. These decisions are rarely straightforward and often breed internal division.

Many employees, particularly in larger corporates, see their business – and the CEO's decision-making – in the narrow terms of their own team or division. While some CEO decision-making will be of a very sensitive nature, as much as possible the CEO should take the opportunity to educate employees on why their decisions represent a positive or best potential outcome for the business, and the factors that informed that decision.

In doing so, the CEO is showing their colleagues greater respect and trust (as opposed to talking down to them or assuming they won't understand), while also reinforcing the company's commitment to its communications-centric business strategy.

Changes and challenges

4. Frame the conversation

Big business moments, like mergers, product recalls, and even staff lay-offs, mean different things to different stakeholders. Without a conductor to guide and frame the conversation, negative news stories quickly spiral out of control and positive developments fail to resonate.

CEOs must set the narrative from the very outset. This means doing so while all key decision-makers, including the communications advisor, are in the same room. If two people leave with a different understanding or version of events, the CEO is already on the back foot. Where there is ambiguity there is speculation, and that means the CEO will spend most of their time firefighting rather than advancing their strategic communications objectives.

5. Move quickly – and decisively

When a challenging situation occurs, the CEO can't afford to waste time. The longer spent hiding behind the sandbags, the more opportunity staff, the media or the public have to form a negative or even misguided view. This has a knock-on effect on morale and productivity.

Hope is not a strategy. The CEO must work with senior leadership to identify the problem and quickly get the story straight. For a long-term credibility win, CEOs must also be prepared to endure short-term pain, even if that means owning up to a mistake or making a difficult announcement.

Investment

6. Prioritise communications

There is a direct, causal relationship between how much time and money the CEO invests in communications and increased employee retention, stakeholder engagement, and revenue.

Radical change starts with CEO buy-in: they must be willing to prioritise communications and understand why this is important. The CEO must assess their existing communications strategy, understand where it works and how it falls short, and then improve it by setting out a vision for change and the means by which to achieve it.

“

**Hope is not
a strategy.**

”

CEO communications: the how and the why

Effective CEO communications start with the CEO understanding why engaging with employees matters, and how the frequency, quality and means of that engagement affect staff productivity and morale.

Making contact is the beginning of the CEO's relationship with employees. Here, surprisingly, many Irish CEOs stumble: **while nearly half (48%) say that meeting the CEO matters to them, only 36% of employees have actually met their CEO in person.**

Among those who have, 36% met this person over the course of a normal working day, but **as many as 14% have only met their head once, during the interview process.**

43% of employees say that meeting the CEO makes them **feel valued and respected** as an employee and 42% say it gives them **a better sense of the company's culture.**

54% of employees have at least daily, weekly or monthly interactions with their organisational head, be that via email, over the phone, or in person.

However, nearly half (46%) say they have had **fewer than five interactions with the most senior person in their organisation in the last 12 months.**

ONLY
36%

of employees have actually met their CEO in person.

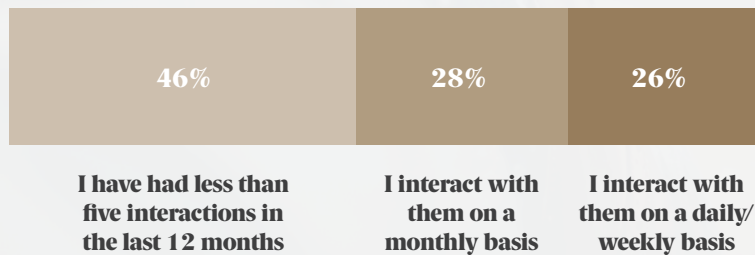
AS MANY AS
14%

of employees have only met their CEO once, during the interview process.

Why does meeting the head of the organisation matter to you?



In the past 12 months, how many interactions have you had with the most senior person in your organisation?



CEO communications: the how and the why

Be seen and heard

One of the core tenets of intelligent communication is frequent, meaningful contact.

82% of employees believe that regular company-wide communication from the head of their organisation is important.

Of these, 89% say regular company-wide communication is **good for morale** and makes employees **more productive**; 87% say it's important that workers have a **sense of what's happening at the company** and **what it's striving to achieve**; and 70% say it makes them **feel valued**. A further 29% believe **effective CEO communications result in improved financial performance**.

In short, effective CEO communications work – employees who are informed and engaged feel better about their work and do more of it, benefiting their organisation's productivity and revenue.

Despite this strong data, 44% of employees say that the most senior person in their organisation **isn't visible to staff and discourages people from dropping into their office**.

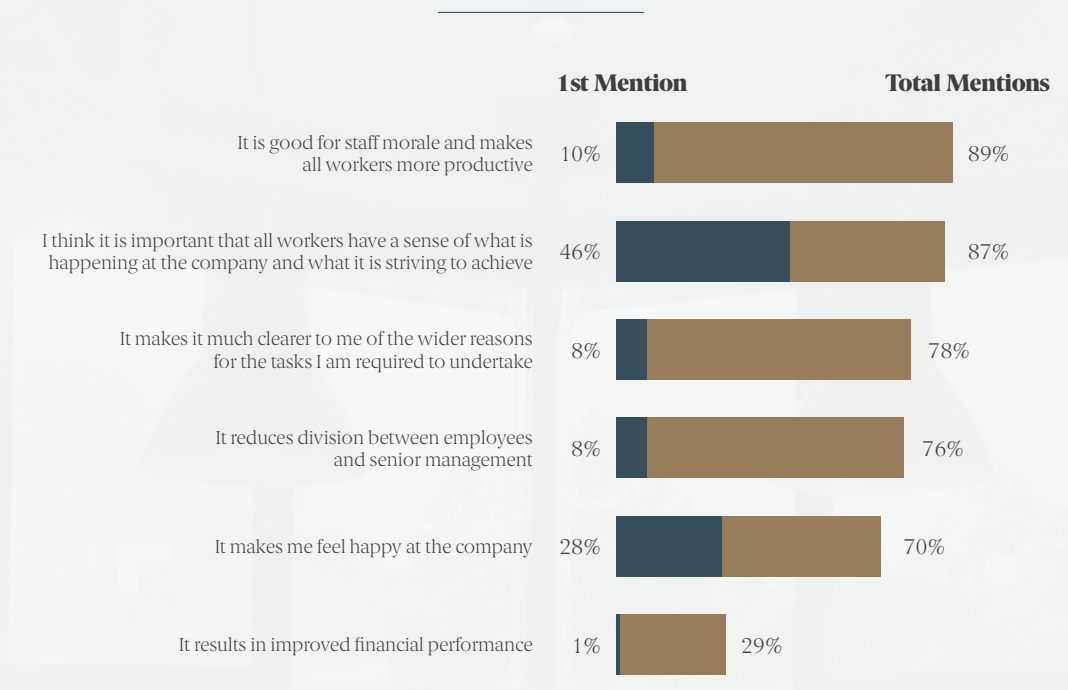
Half don't leave their door open during the day.

Nearly 30% of organisational heads **rarely or never socialise with staff**, and a third say that their organisational head **doesn't even know their name**.

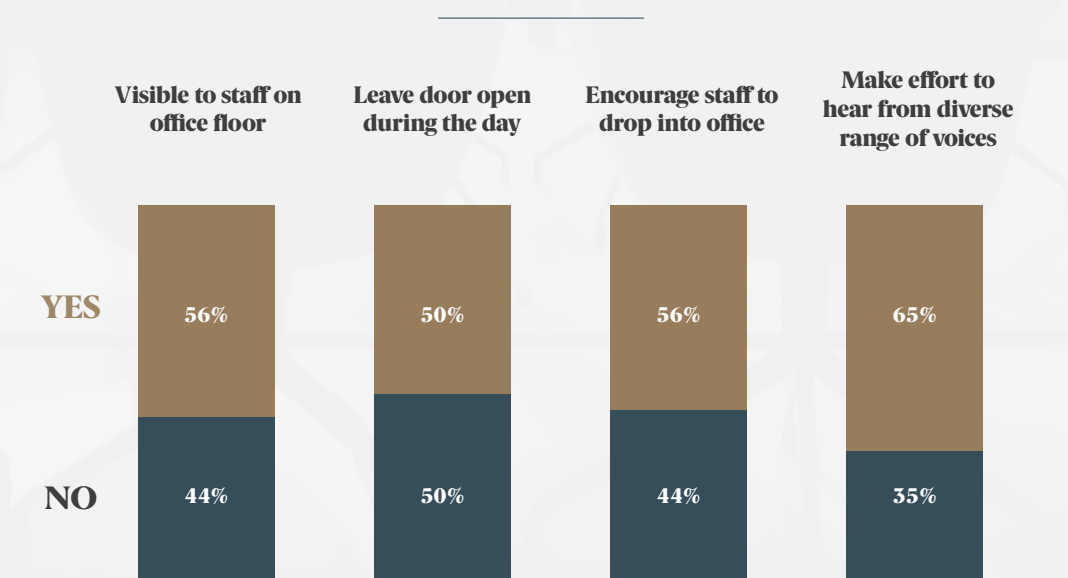
Shutting out employees could even **harm an organisation's ability to innovate**. Just over 40% say that they do not feel comfortable approaching their CEO with a new idea for the business.

Of course, the CEO is busy – but a visible and social CEO is a transparent and empathetic one. Forging links with employees, even if that starts with a simple weekly email update, helps to foster loyalty and build up a bank of goodwill. Staff will appreciate the effort to include and inform, and the CEO's example of good leadership and communication will filter down to all levels of management.

Why is regular company-wide communication from the head of the organisation important to you?



Is/does the head of the organisation...



CEO communications: the how and the why

Room for improvement

Nearly two-thirds (63%) are happy with the frequency at which their organisational head communicates with employees, but 40% say that their senior leader rates **“okay, but room for improvement”, “poor” or “very poor”** for their communication ability.

If employees could change one thing about how their organisational head communicates with staff, 38% say they would like them to be **more transparent and open about what is happening in the company and why.**

Nearly two-thirds (64%) of employees acknowledge that **communication from**

the organisational head affects workplace morale. While about three-quarters say it affects morale in a positive manner, just over a quarter say the opposite: **their CEO’s words do more harm than good.**

How could this be?

The answer is likely to be a simple one: the leader is only getting in touch with negative news stories. If the CEO reserves their personal emails for news on the latest media scandal or a high-profile sacking, then most employees will dread opening their inbox.

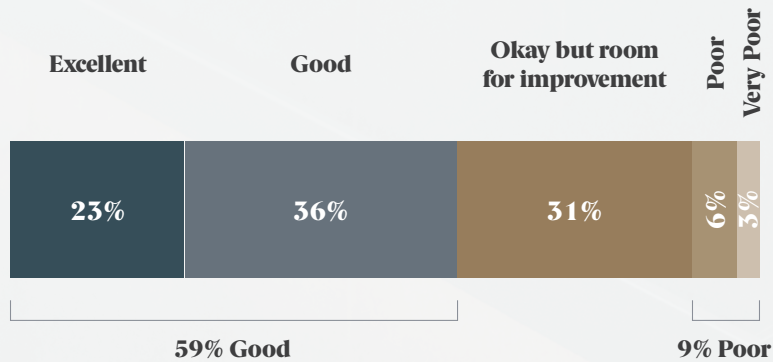
40%

rate their leader’s communication as “okay”, “poor” or “very poor”.

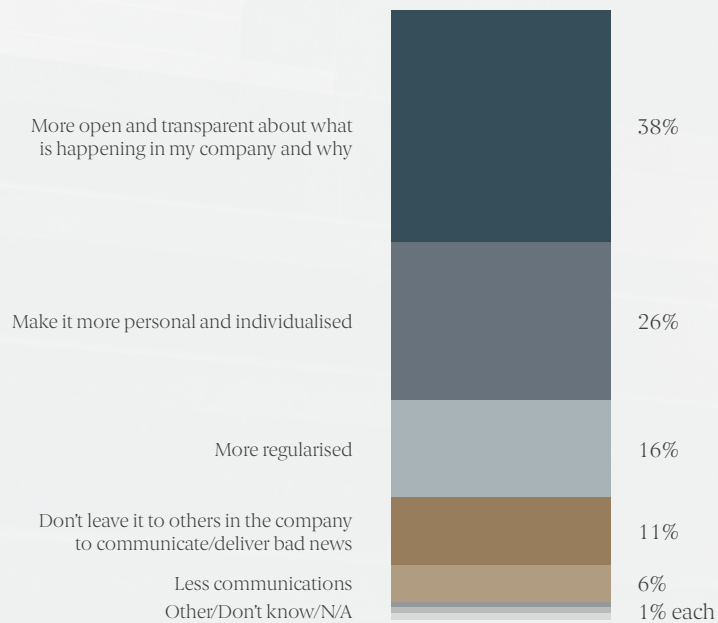
38%

would like their organisational head to be more transparent and open.

How would you rate the ability of the most senior person in your organisation to communicate with their staff?



If you could change one thing about how the most senior person in your organisation communicates with staff, what would this be?



When challenges arise

When a business challenge arises, employees and stakeholders look to the CEO for guidance and understanding. Denying them an explanation or failing to communicate a plan will lead to discontent and disillusionment.

That's not to say that there's a perfect way to handle a challenging scenario or even a major crisis. There isn't. Challenges, whether they're mergers, mediocre financial results, staff walk-outs, or IT system overhauls, are by their nature unpredictable. But the CEO can't duck away behind the barricades or pass the buck to delegates – hoping for the best is not a strategy.

The most able CEOs take control of a challenging situation by setting out a plan of action and proactively implementing it. Importantly, they communicate this plan to stakeholders, including employees.

Irish corporates, for the most part, do well in this regard. The majority of employees learnt

about their *last* major company news or event via their CEO, manager or other senior leader. However, **as many as 25% relied on word of mouth, media announcements or other means.**

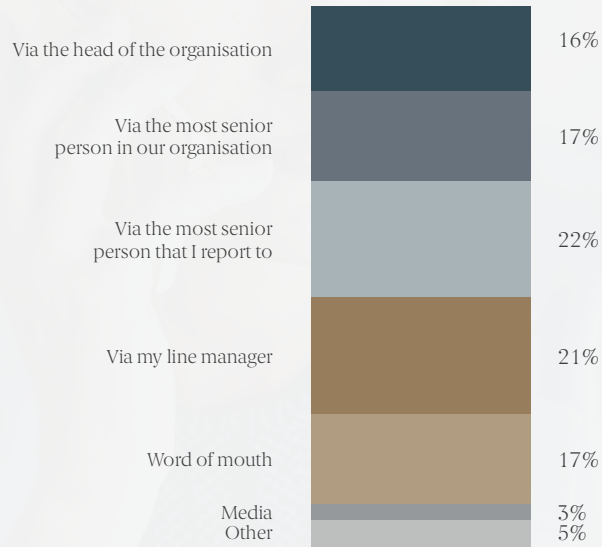
In fact, 38% of employees have **heard a news story about their employer in the media before it was communicated internally** at least once before.

While 40% of employers later provided a formal explanation, 43% provided an unsatisfactory one, and 18% remained completely silent on the matter.

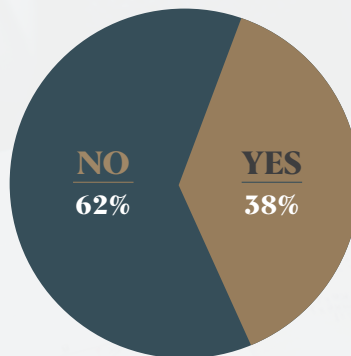
This head-in-the-sand 'strategy' has consequences.

27% of employees say they became **disillusioned with the head of the organisation and management**, 25% say they **didn't feel valued**, and 20% say it made them **question their future in the role.**

How did you learn of the last significant development in your organisation?



Have you ever learnt of a significant business development, issue or story related to your employer in the media before it was communicated internally?



When challenges arise

Taking the helm

Irish CEOs are split evenly in their responses to challenges.

36% of employees say that when a major business challenge arose, their senior leader was **more visible to staff and did everything they could to reassure them.**

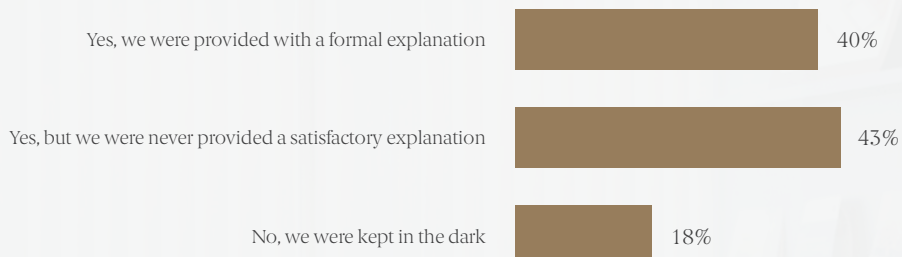
However, 34% say the opposite was the case: they were noticeably less visible and less accessible.

30% say they **didn't notice any change in visibility or accessibility** during this time. During a challenging period, it's crucial that the CEO is both seen and heard.

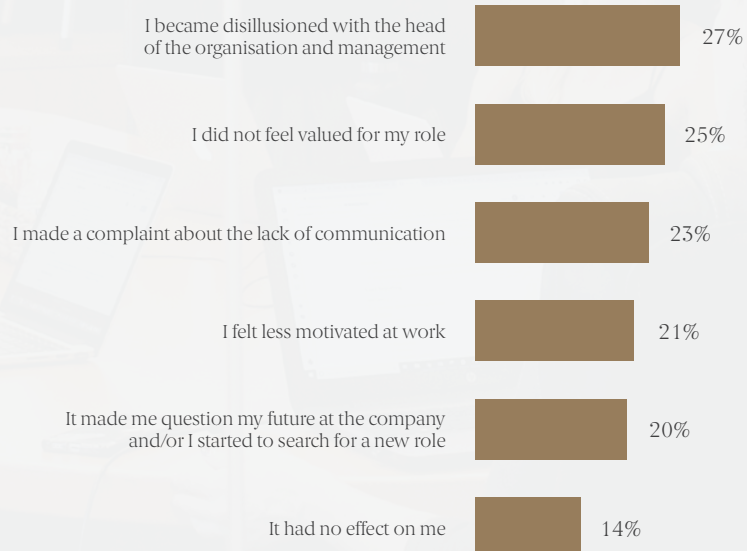
Not only does increased visibility create a sense of solidarity with staff, the leader plays an important role in fostering calm and reason.



After a story about your employer broke in the media before it was communicated internally, did your employer/organisation later respond to the story internally?



What impact did that have on you?



About

The most successful CEOs, NGO chiefs and politicians see the big picture: they take a long-term, integrated view of communications. They understand that words, like actions, matter. They embrace and explore new platforms and fully exploit and upend existing ones, internally and externally, to propagate their message.

Stakeholders, be they customers, media or policymakers, tilt towards organisations that exude authenticity, trust and vision.

Helping businesses and business leaders build and implement these values – a process we call intelligent communications – is our core service.

We're bullish about this approach and gladly use the hardest of all metrics to track our success: revenue growth. While other agencies hold themselves to vague, movable KPIs, we revel in results that have tangible impacts not just for the CEO, but the CFO, too.

Methodology

Research carried out by PR360 in partnership with Amárach Research among 1,000 adults (18+) via online survey.

Only respondents in employment were asked questions for the PR360 CEO Communications Report. 627 were in full-time or part-time work. For the purposes of this report, we drilled down into the data further to focus on employees working in organisations of 50 or more people.

An introduction to

Our team

PR360°

The PR360 team is by design diverse and intellectually curious, ensuring clients always benefit from multiple perspectives and skillsets.

Our expertise and experience spans government relations, policy, law, journalism, management consultancy, consumer marketing, advertising, social and digital media, and graphic design.



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