

# The Chief Communications Officer and the C-Suite

Discussing the role of the  
executive communicator

2013

# Partners

## The following research is based on a collaboration between three organisations:

The [European Association of Communication Directors \(EACD\)](http://www.eacd-online.eu) is the leading network for communication professionals from all fields across Europe with over 2,300 members. The non-partisan association lobbies for the profession, establishes common quality standards and promotes the advancement of professional qualification by organising events and providing services and material. [www.eacd-online.eu](http://www.eacd-online.eu). Follow us on Twitter: [@eacdonline](https://twitter.com/eacdonline)

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# Foreword

Our role as Chief Communication Officers (CCO) is constantly evolving. We know that we have a vital role to play in strategic business decisions, particularly in recognising their impact on the corporate reputation, but the scope and outline of this role are the subjects of debate. What is our place in the overall organisational structure? What are the full range of responsibilities expected of us? Do we need a seat at the executive table to carry out these duties? These questions and more are pressing concerns of the European Association of Communication Directors (EACD).

To explore these questions, the EACD is collaborating on an ambitious new project. Our partners are leading communication research institution The Amsterdam School of Communication Research and Russell Reynolds Associates, who as an assessment and recruitment specialist is ideally placed to offer and collect insights into the evolving position requirements of CCOs.

Together, we looked at both quantitative and qualitative data and interviewed leading HR heads and CEOs to get their insight into the roles and responsibilities of today's CCO. This report is a summary of the initial results of this project.

We will continue to explore this topic over the coming years, and we welcome this opportunity to embark on a healthy debate about the future of the CCO.

I hope you enjoy the read and look forward to an ongoing, and fruitful, discussion.

Herbert Heitmann  
President,  
European Association of Communication Directors

# Introduction

Including communication officers in the dominant coalition of managers and decision makers in organisations has long been emphasised in communication management literature. The role and position of communication officers is also an important issue for communication management and has been the subject of several consultancy reports and studies.

Some say that the communication professional is developing into a chief communications officer (CCO) comparable with chief financial (CFO) or chief marketing (CMO) officers. With such a development, communicators could earn a seat on the executive board of organisations. Success factors for acquiring such a seat are not yet well understood, but research and measurement skills, as well as competences like having a strategic long-term view and counseling have been described. Suggested barriers to acquire a seat on the executive board include a glass ceiling for such a gendered profession and so-called encroachment, meaning that top positions are occupied by people with no formal background in communication science or public relations.

The European Communication Monitor, the annual survey of European communication professionals, has consistently shown that the perceived advisory influence of communication professionals is higher than the involvement in actual decision-making within the organisation. 79.4% of the respondents of the 2013 Monitor reported that communication is taken seriously by senior management of the organisation and 75.7% say that the communication function is likely to be involved in strategic planning. According to the respondents of the 2011 edition of the monitor, 18% of communication professionals in Europe have a seat on the executive board. This board membership varies considerably between different types of organisations, as well as regions and countries in Europe.

The literature and the consistent findings of the European Communication Monitor raise questions about the formal position of communication officers in organisations and especially on the executive board. Given that relatively little is known about this subject, the following research questions present themselves:

- How many communication professionals of the largest companies in the world have a seat on the executive committee of their organisation?
- What kind of organisations have CCOs on their executive board and what is the remit of those CCOs according to the CEO?
- What factors play a role in the (formal) position of communication officers in organisations?

To answer the research questions, three coherent studies were undertaken: a content analysis of the websites and/or annual reports of the top 500 global companies according to the Financial Times; a survey among human resources managers of global companies; and semi-structured interviews with chief executive officers of global companies.

# What the figures say

We analysed the composition of the executive boards of the 2012 Financial Times 500 list, which rank global companies according to their market value. We undertook content analyses of the websites and when necessary the annual report of the companies that are on this list. The Financial Times Top 500 list was chosen because it is a European list, thus matching our perspective, and because it is based on the companies' market value rather than, for example, turnover or number of employees.

The definition of a communications professional on the executive board, executive committee, leadership team or whatever label a company gives, is someone with the following words in the job title: corporate communications, chief communications officer or public relations. Furthermore it is someone with (for example) a label as public affairs or corporate affairs in the job title, but only in combination with the description of the responsibility for corporate communication, internal and external communications or public relations in the job description. The person involved must also have a clear background in communications, public relations, media or journalism. Finally, a job title with communication as a second label

(for example, HR and communication, or marketing and communication) was not accepted as fitting our definition of a CCO. This was because communication as a second job label usually means that it is seen as subordinated to another discipline, usually marketing or human resources.

## Findings

The data show that 24.2% of the surveyed companies have a chief communication officer or a comparable officer on the executive board of the company who is directly responsible for communication. This means that more than three quarters of the FT Top 500 companies do not have such a representative on the executive board.

The job titles of those who represent communication on the executive board are very diverse. Eleven companies label this function chief communication officer whether or not in combination with some kind of president (executive, senior, vice or a combination). Of the list of other labels that occur more than once, the most popular job titles for communications functions on the executive board are senior vice president corporate communication and

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### Almost a quarter of FT500 companies have a CCO on the executive committee

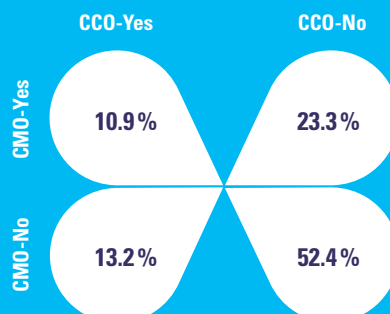
Only 24.2% of FT 500 companies include their top communications executive as a member of the executive committee.



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### A majority of companies include neither a CMO nor a CCO on the executive committee

If only one of these executives sits on the executive committee, it is far more likely to be the Chief Marketing Officer.



senior vice president corporate affairs. In 88 of the job titles the word ‘president’ is used, sometimes in combination with ‘senior’, ‘vice’ or ‘executive’. Remarkable job titles are: executive vice president communication, sustainable development and public affairs; executive vice president sustainability and corporate; executive vice president communications and stakeholder relations; senior vice president communications, public advocacy and corporate relations; and vice president communications and philanthropy.

**Region**

The distribution of CCOs on the executive board differs significantly per region. In absolute numbers the most CCOs are found on the executive boards of North America, followed by Europe, Asia Australia and the Middle East. In South American companies in the FT 500 list there are no CCOs on the executive boards. For this specific group of big companies the relative distribution shows a different picture. From the Middle Eastern companies 50% have a CCO on the executive board, followed by North America with 33.8%, Australia, 28.6%, Europe 23.5%, Africa, 14.3% and Asia, 6.6%. The correlation between CCO on the executive board and region of the FT 500 companies is weak but significant.

**Country**

An analysis of the CCOs on the executive board per country is possible on an explorative level because of the population of companies in the FT 500 list where some countries are more represented than others, like the US, the UK, Japan, France, China and Canada with more than 20 companies.

The correlation between CCOs on the executive board and country of origin of the company is stronger than per region, but it is still a weak although significant correlation. The difference in distribution of CCOs on the executive board seems to be significant, although this cannot be guaranteed because of the small number of companies in some countries. The countries with more than 25% scores on CCO on the executive board are Australia 28.6%, Belgium 100%, Finland 50%, France 45.5%, Israel, 100%, Norway 33.3%, Saudi Arabia 33.3%, Sweden 66.7%, Thailand 100% and the US 35.5%.

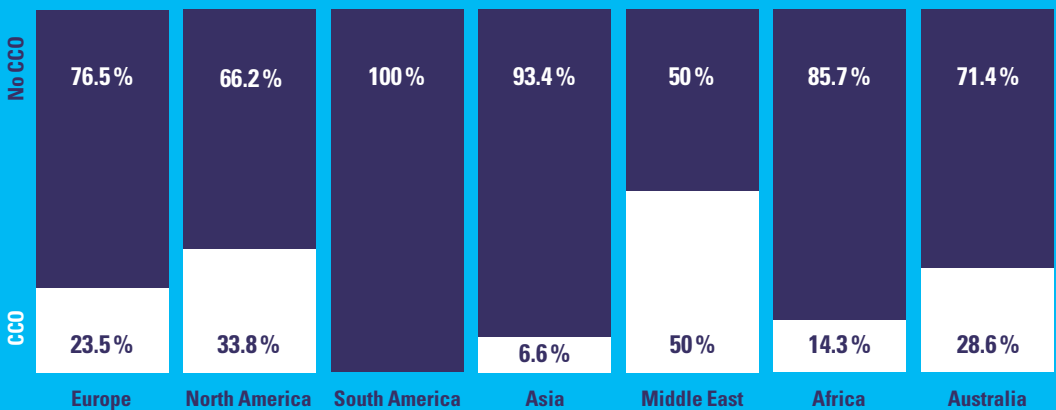
**Sector**

The FT 500 distinguishes 37 sectors where corporations are active. Comparing all of these sectors shows that there again is a weak but significant correlation between sector and CCO on the executive board. The differences between the sectors seem significant although we have to take into account that the cell numbers of some

**3**

**Top communication leaders are more likely to attain executive committee seats in North America than in Europe**

In North American companies, 33.8% of top communications officers hold an executive committee membership; in contrast, only 23.5% of top communications officers at European companies hold a seat on the executive committee.



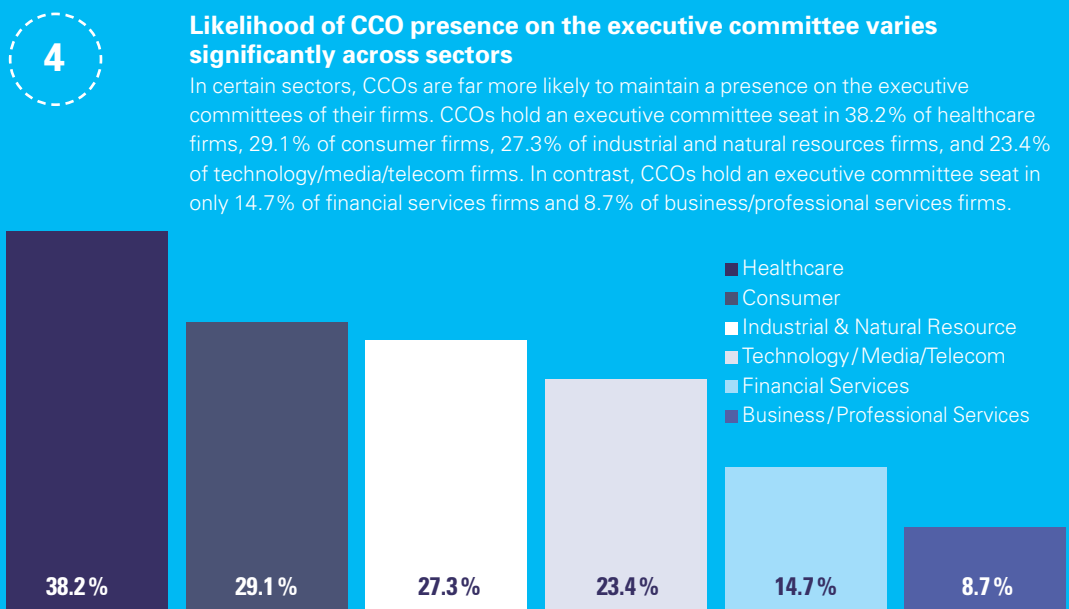
of the sectors are very small. In absolute terms only oil and gas producers and banks have more than 10 companies with a CCO on the executive board, respectively 13 and 11. Looking at the data in relative terms, they show that the sector of construction and materials scores highest with 66.7% of the companies having a CCO on the executive board. Other sectors scoring over 30% are media 61.5%, beverages 55.6%, electricity, 40%, general retailers, 40%, health care and equipment services, 38.5% and pharmaceuticals and biotechnology, 38.1%, tobacco, 37.5%, food producers, 33.3%, gas, water and multi-utilities, 33.3%, industrial engineering, 33.3% and oil and gas producers, 31.7%.

When sectors are grouped into six broad industry categories the differences between sectors stay significant and the problems with the small cell numbers are solved. Grouping the sector into the six bigger categories – (1) financial services, (2) technology, media and telecom, (3) consumer (4) industry and natural resources (5) healthcare and (6) business and professional – shows the following distribution of CCOs in the boardroom. The most CCOs in the boardroom are found in the healthcare sector (38.2%), followed by consumer (29.1%), industry and natural resources (27.3%), technology, media and telecom (23.4%), financial services (14.7%) and business and professional

services (8.7%). The correlation between these broader sectors and having a CCO in the boardroom stays weak but significant.

When comparing sectors on the level of business to business or business to consumer, we found no significant difference in having a CCO on the executive board or not. In the B2B sector, 24.4% of the companies have a CCO on the executive board and in the B2C, 24.1%.

Furthermore we carried out an explorative analysis to find out whether a CCO on the executive board is more often found in sectors with regulated communication than in sectors with no regulation for communication. The following sectors were defined as having more or less regulated communication: banks, beverages, financial services, food and drug retailers, health care equipment and services, life insurance, pharmaceuticals and biotechnology and tobacco. The results show that there is no significant difference between sectors with regulated communication and sectors with non-regulated communication.



# The HR perspective

We asked 107 senior Human Resources (HR) managers about the position of communication officers in their organisation and the expectations they have for them.

### Communication officers in the boardroom

27.7% of the surveyed HR heads said that they have a CCO or comparable officer on the executive board. These CCOs carry different titles within their respective companies, such as communications (senior) vice president (32%), communication director (24.7%), communications manager (21.6%), and chief communications officer (7.2%).

Also, most communication officers (79.1%) report to a member of the organisation’s executive committee as opposed to 16.4% of the organisations where the communication officer does not report to a committee executive. When reporting to a member of the board, the communication officer reports to the CEO in 48.4% of the cases and in 19.6% of the cases to the chief HR officer. Presenting to the executive committee occurs in varying degrees.

### Rating competences

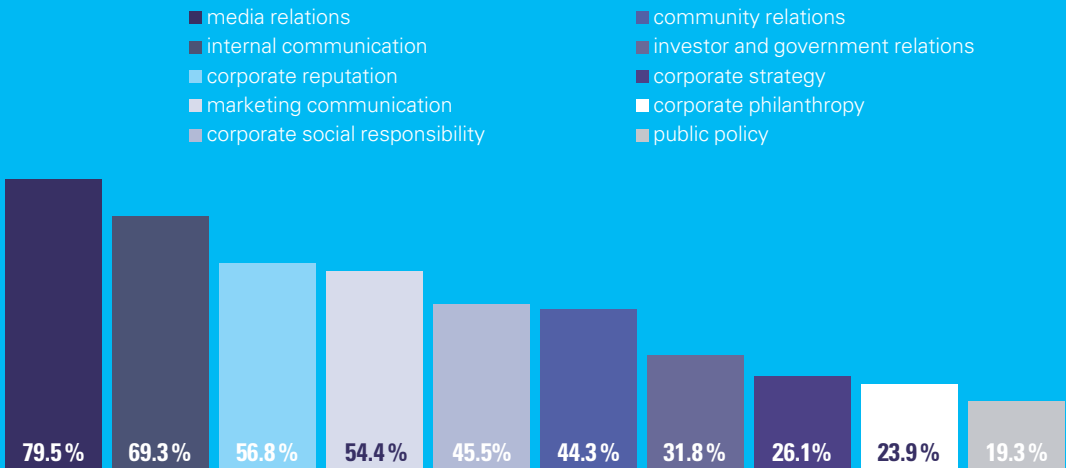
Companies ask for different competences from their communication officer in order to give

substance to the responsibilities shown in graph 5. To fulfill these responsibilities HR managers still rate communication skills (written, oral, message production) and communication knowledge as the most important competences. In addition, companies attach importance to communication officers that demonstrate general business knowledge, leadership skills and business acumen. Financial and operational skills are considered moderately important. The demonstrated competences are not rated differently by HR managers from organisations where communication officers are on the executive committee or not.

To rate the performance of the communication officer on these competences and responsibilities, companies use various metrics. The communication officer’s ability to influence media coverage is used occasionally, which is also the case when rating the satisfaction of internal clients, public opinion about the organisation and the opinion of key internal stakeholders about the organisation. On the other hand, the impact on financial and strategic targets is a rarely used metric to measure the communication officer’s performance. Metrics used do not vary significantly between world regions or

## 5

According to HR managers, responsibilities of communication officers include:





industrial sectors. The metric measurement of public opinion is rated significantly higher in companies with higher revenue than in companies with smaller revenue. Notably the metric financial and strategic targets is used significantly more in companies with a communication officer on the executive committee than in companies where the communication officer does not have a seat on the board.

When competences are being rated by the HR managers, the communication officers are predominantly considered to perform effectively in communication skills, communication knowledge, and general business knowledge. When looking at business acumen and leadership skills, communication officers are rated moderately effective, whereas their financial skills are considered slightly ineffective. Financial and operational skills and business acumen are both rated significantly higher in companies with a communication officer on the executive board compared to companies with no communication officer in the board.

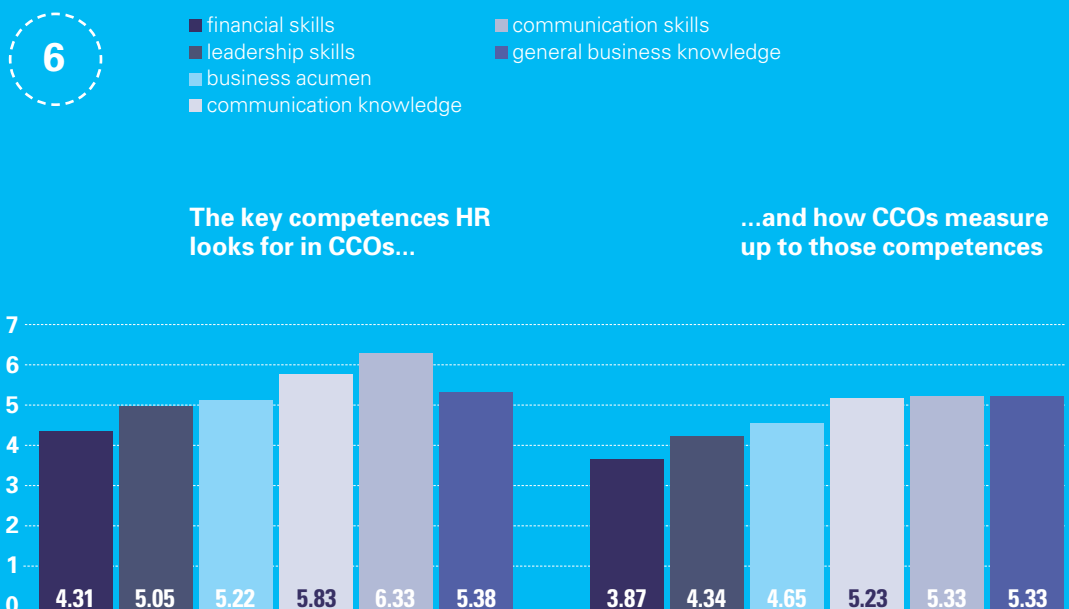
**Recruitment**

When recruiting a communication officer, organisations look for the educational and training qualifications seen in the graph below. When organisations look for candidates with education in other fields than communication

science, they look for a wide variety of fields, ranging from finance to psychology and from business administration to marketing.

Apart from educational background, companies value work experience as an important personal assets in potential candidates. They place the highest value on demonstrated ability to influence, empower and build trust on all levels, followed by shaping the company’s reputation, driving change and shaping the business lead, multi-stakeholder relationships, experience in new media and cross-functional relationship building and business alignment.

Data show that 43% of the organisations have a succession plan ready in case the current communication officer would leave his or her position. In contrast, 44.3% of the organisations do not have a succession plan. In the event that the current communication officer would leave the company tomorrow, 32.5% of the respondents are confident they could replace him or her from their internal candidates. That means that two thirds (67.5%) of the organisations are not confident they could do so.



# What the CEOs say

Several chief executive officers (CEOs) were interviewed about the role of communication officers in their organisation and the expectations they hold for them.

## Status of the communication officer

When asked about the importance of a communications representative at the most senior level of the organisation, a number of CEOs found that the communication officer is an indispensable part of the board. In particular, when issues are highly complex and data is confidential, communications play a strategic role in the organisation’s welfare. As one suggested:

“I believe it is very important that the CCO has a tight relationship with the top of the business and the CEO in the same way as, for example, the CFO and CHRO. You don’t want the CCO to deal with second hand information; that is too risky.”

Communication officers that find themselves on the executive committee are part of the decision-making process. However, this is not always the case as most communication officers only report directly to a member of the ex-

ecutive committee. As the quantitative data has already shown, most CEOs do not consider the communication officer to be part of the executive board of the organisation. At least not directly, as one suggested:

“The reason that the communications head is not on our executive board is because the function is too narrow. We don’t have functional specialists in our executive board. For example, our HR board member is, besides a CHRO, also responsible for a business segment, a division, and a region.”

Nevertheless, all surveyed CEOs acknowledged the existence of a direct reporting line between themselves and their communication officer, as it is the only way to assure that the CEO has an impact on all the facets of successful internal and external communications.

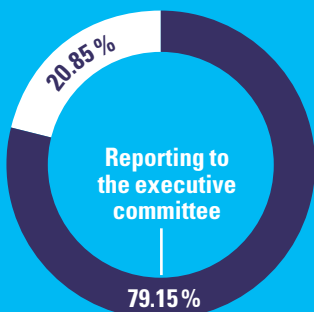
## Responsibilities

Most CEOs indicate that the communication officer’s responsibilities can be found within this distinction between internal and external. External communication duties include government affairs, CSR, reputation management,

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### Almost 80% report to the executive committee

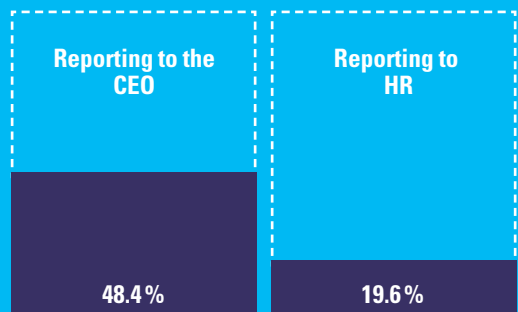
79.15% Communication Officers report to a member of the organisation’s executive committee.



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### When reporting to a member of the board,

the Communication Officer reports to the CEO in 48.4% of the cases and in 19.6% of the cases to the Chief HR Officer.



press relations and social media. The external communication policy is considered to be two-fold: it enables companies to enhance their reputation and make people understand what they do, but it also functions as the ears and the eyes of the organisation, informing the board of what is really going on within the business.

As one CEO mentioned, the communication officer should have a holistic view, understanding both external and internal communications. This holistic view is considered inevitable to ensure that the organisation takes care of the corporate brand and values. Consistency seems to be the key word to describe the CCO's main characteristic to synergise communication.

**Critical challenges**

CEOs often face challenges when trying to achieve consistency, for example damage control: crises may cause damage to the organisation's reputation and cannot be predicted, so companies need to react fast when they occur. Communication is crucial in this process, as one CEO described:

“I don't believe in crisis planning. I believe more in the right daily attitude; understanding how to behave and communicate. It should be in the communications management but also in

the overall management mindset and DNA.” This CEO continued to explain how the communication officer plays a role in bridging the gap between board and stakeholders:

“The CCO should be well aware of all different stakeholders, what matters to them, talk their language to see what is on their agenda and then ‘translate’ the message inside out as well as explain the outside world to the management team.”

When a crisis occurs it is important that the communication officer talks strategically towards all channels in a consistent matter and ensures that the brand values are not jeopardised. As one CEO hypothesised:

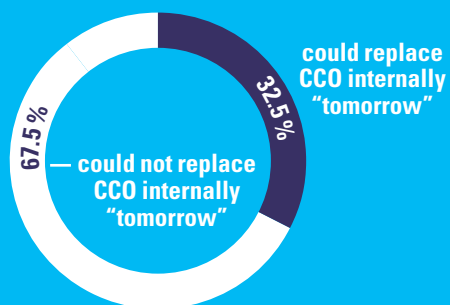
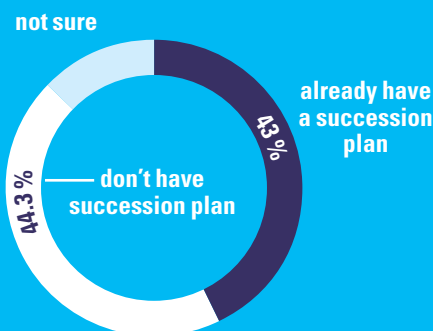
“In case someone within the company is accused of something, the next moment it is on social media. Things don't blow over anymore. You can't control it if you don't say the truth. Ethics and transparency are key.”

**Perception and measuring performance**

When facing challenges, the communication officer's performance is assessed both internally and externally. Through employee surveys, organisations receive feedback on the communication officer function and the general

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**43% of organisations have a succession plan ready** in case the current communication officer would leave his or her position. In contrast, 44.3% do not have a succession plan. In the event that the current communication officer would leave the company tomorrow, 32.5% of the respondents are confident they could replace him or her from their internal candidates. That means that two thirds (67.5%) of the organisations are not confident they could do so.



communication performance of the organisation. Holding the communication policy against the business plan and expectations is another way to manage and measure communications. Benchmarking the organisation’s structure and processes is a way of assessing the communication policy externally. But seemingly more important are stakeholder expectations. Some CEOs indicate that the communication officer’s performance is measured by the way they develop strategies and tactics to improve media impact and consumer feedback. As one CEO said:

“I believe that communications boils down to being able to manage the organisation in such a way that the consumers want to trust you because you behave as a good corporate citizen.”

**Future of the CCO**

Good corporate citizenship is likely to become more important in the CCO’s future. And within this perspective, social media will emerge as an important tool to improve the company’s reputation, as one CEO stated:

“We closely follow the new trends and developments and we use social media very actively. We believe in being able to give

instant and proactive information through social media.”

This argument confirms another CEO who argues that future CCOs will need to deepen their responsibilities and become more knowledgeable, for example about using different channels. It is expected that the visibility of the organisation through the media will only increase, therefore emphasising the importance of the CCO, or as one CEO put it:

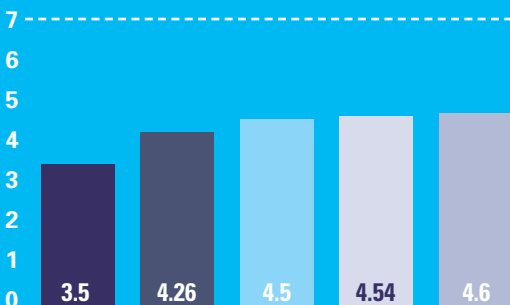
“I expect that the CCO position will grow in importance...organisations and their communications will be more and more under a magnifying glass. This position is for me one of the most difficult positions to be filled as it is not easy at all to find strong communication leaders.”

Most CEOs agree that the communications will become highly strategic and more integrated into the executive board, although one CEO opted to change the title of the CCO:

“I believe ‘communications’ is nowadays a polluted term. We should reinvent the title of CCO for example into Chief Officer for Reputation.”

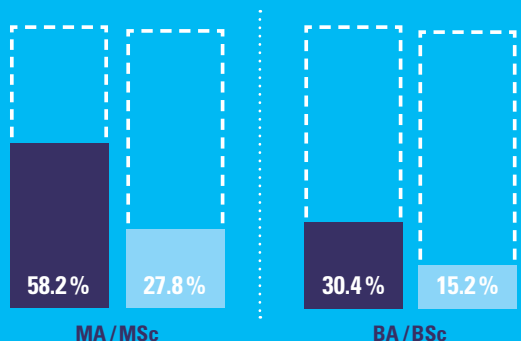
**10 Metrics used to rate competences and responsibilities of communication officers**

- impact on financial and strategic targets
- to influence media coverage
- opinion of key internal stakeholders
- the satisfaction of internal clients
- the public opinion about the organisation



**11 When recruiting a communication officer, organisations look for the following university degrees:**

- communication science / related social sciences
- in other fields



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## 7 starting points ...

1

Communication officers need access to the board room, though whether or not that should be a formal position is open to debate.

2

Currently, nearly a quarter of FT 500 companies have a chief communication officer on their executive board: North America and Europe lead the way.

3

To increase communication presence in the board room, the function needs to broaden its mandate and become a reputation leaders.

4

It is also necessary to improve business acumen: it is rated as one of the most important skills (along with communication skills and knowledge, leadership and business knowledge) but communicators receive low ratings for it.

5

Add substance to and broaden the position of the communication officer, making them reputational gatekeepers – currently it is too narrow, dominated by internal comms and media relations.

6

Never underestimate the power of the CEO – the presence of a communicator on the executive board largely depends on the preference of the CEO...

7

... but the co-dependent relationship between CEOs and their CCOs is not always useful for organisations: 57% of HR managers said they could not replace a departing communication officer from their internal candidates.

**... for further conversation.**





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