Corporate communications from the CEO’s perspective: how top executives conceptualize and value strategic communication

Ansgar Zerfass
BI Norwegian Business School
University of Leipzig

Muschda Sherzada
ARD/SWR, Stuttgart
Collins, Hamburg

This is the accepted, refereed and final manuscript to the article published in


Publisher's version available at http://dx.doi.org/10.1108/CCIJ-04-2014-0020

Copyright policy of Emerald Publishing Group, the publisher of this journal:

“Emerald supports authors' voluntary deposit of their own work. Once an article has been published by Emerald, an author may voluntarily post their own version of the article that was submitted to the journal (pre-print) or the version of the article that has been accepted for publication (post-print) onto their own personal website or into their own institutional repository with no payment or embargo period.”

http://www.emeraldgrouppublishing.com/openaccess.htm#green

An additional written agreement between Emerald and BI Norwegian Business School states these rights to BI authors.
Corporate communications from the CEO’s perspective: How top executives conceptualize and value strategic communication

Ansgar Zerfass
Institute of Communication and Media Studies, University of Leipzig, Leipzig, Germany and Centre for Corporate Communication, BI Norwegian Business School, Oslo, Norway, and

Muschda Sherzada
ARD/SWR, Stuttgart, Germany and Collins, Hamburg, Germany


Abstract

Purpose – The purpose of this paper is to explore the perceptions and expectations of chief executive officers (CEOs) and executive board members concerning: the relevance of public opinion and contribution of communication performance to organizational success, the communicative role of top executives and their interaction with professional communicators, the objectives and values of corporate communications, and the importance of various disciplines and instruments.

Design/methodology/approach – A quantitative survey was conducted among top executives of listed and private companies operating in the largest European country, Germany (n=602).

Findings – The study identifies a traditional mindset: top executives focus on primary stakeholders (customers, employees) instead of secondary stakeholders (politicians, activists), they value mass media higher than social media, and they rate speaking more important than listening. Moreover, communication professionals are not always the first choice when CEOs and board members reflect on the topics at hand. Advanced visions of strategic communication developed in academia and practice have not yet arrived in many boardrooms.

Research limitations/implications – The sample is not representative for all CEOs in corporations and it is limited to one country.

Originality/value – While the performance of corporate communications depends heavily on the perceptions, beliefs, and expectations that top executives hold towards communication and its contribution to organizational goal, little is known about this. Most knowledge is based on qualitative interviews and small-scale samples. This study provides an overview of previous insights and takes a broader empirical approach.

Keywords – Institutional theory, Objectives of corporate communications, Principal-agent-relationships, Role of communication professionals, Corporate communications, Neo-institutionalism, Strategic communication

Paper type – Research paper
Introduction
A common and rarely questioned reasoning in academia argues that the rising impact of reputation, public trust, legitimacy and authenticity in the business world (Carroll, 2013; Cradden, 2005; Gilmore and Pine, 2007) leads to an increasing importance of corporate communications (Argenti, 2013; Cornelissen, 2014; Gregory et al., 2013). However, empirical research indicates a gap between the perceived importance of communications and soft as well as hard indicators of its relevance in organizations. In a recent study, a large majority (87.0%) of 2,027 professionals working in communication departments across Europe stated that communication has become more important for their organizations in a given time frame, but only 14.8% of them reported increased budgets compared with other functions (Zerfass et al., 2013, pp. 90-98).

This gap is usually explained by a lack of power of communication departments and communication professionals. Researchers and professional associations alike argue that having a seat at the board table or being a member of the dominant coalition would solve the problem (EACD, 2013; Smudde and Courtright, 2010; Grunig et al., 2002, pp. 140-182). Others have criticized this view as simplistic. In fact, communication professionals are limited by a large number of organizational and relational constraints (Berger, 2005), which cannot be reduced to reporting lines or personal competencies.

In order to explore the topic at hand, this article builds upon an alternative theoretical approach. It explains the distribution of responsibilities for communication in corporate settings and argues that the symbiotic relationship between CEOs and communication professionals can be analyzed by means of new sociological institutionalism. It is important to understand the understandings, experiences, and expectations of top executives towards communication. A literature review shows that empirical insights into these aspects are rare. Thus, a quantitative survey was conducted to investigate the perceptions and expectations of CEOs and board members in the largest European country, Germany (n = 602). This is, to our knowledge, the largest sample of top executives in a key economy interviewed about corporate communications until now.

Responsibilities and institutions for corporate communications
The gap between the rising importance of communication for corporations and the relatively slow advancement of professional communication functions can be explained by taking a closer look at the distribution of communication responsibilities in any organization. Communication demands from stakeholders and media reports usually address a whole entity, such as a specific company or brand. Organizations themselves are also enacting their environments by interpreting markets and stakeholder settings and by defining visions and business models. As such, the core responsibility for communication as well as for all other strategic decisions and activities is located within the boardroom.

This means that “the CEO should be the person most involved with both developing the overall strategy for communications and delivering consistent messages to constituencies” (Argenti, 2013, p. 54). CEOs communicate with important stakeholders and they decide on the basic understanding and priorities of communication as well as on key structures and resources.

Due to their predominant background in business administration, many top executives conceptualize corporate communication in a traditional way as transmission of information (Zerfaß, 2009, pp. 27-33). From this perspective, companies transmit objective information via media to the relevant stakeholders; this stimulus leads to the transfer of meaning and it is
intended to evoke desired reactions such as knowledge, attitude change, and behavior. Communication scholars, on the other hand, often propagate a contrasting view that accentuates the construction of reality: communication is a two-sided process, an interaction where perceptions and orientations are shaped subjectively, but meaning and reality are socially constructed.

Communication professionals are agents supporting others who are less familiar with the public sphere. Holtzhausen (2012) claims that they can be activists empowering various groups in society. The prevailing view, however, is that communicators work on behalf of principals in the top management of organisations (Pratt and Zeckhauser, 1991). As such, corporate communications is “inescapably tied, by nature and by necessity, to top management, with public relations staff providing counsel and communication support” (Cutlip et al., 2006, p. 56). Communicators are specialized, on the one hand, at framing public debates and getting messages across (Van Riel and Fombrun, 2007, p. 16), and, on the other hand, at monitoring public opinion and stakeholder interests, which allows them to inform decision-making processes (White and Dozier, 1992). Outbound activities such as generating public attention, influencing customer preferences, motivating employees, and building up immaterial assets are usually more prevalent than inbound activities such as identifying opportunities and public concerns or managing relationships to adjust corporate strategies and secure room for maneuver (Verhoeven et al., 2011).

From this point of view, the understandings, experiences, and expectations of top executives in organizations are key drivers of corporate communication practices. New visions and role models cannot be put into action if CEOs, board members, leaders of business units and other functions do not support such developments. As such, it is necessary to explain the complex interactions between organizations, society, and agency.

This can be done by applying neo-institutional theories (Greenwood et al., 2008; Meyer and Jepperson, 2000). New institutionalism offers rich opportunities to analyze the interfaces of organizations and communication (Frandsen and Johansen, 2013; Sandhu, 2009). Scott (2001) argues that organizational practices (e.g. corporate communications) are based on cognitive, normative, and regulative institutions. The regulative pillar includes rules, laws, and sanctions that constrain and regularize organizational behavior (Scott, 2001, p. 51). The normative pillar refers to values and norms that influence behavior (Scott, 2001, p. 54). The third pillar, the cultural-cognitive pillar, “is the major distinguishing feature of neoinstitutionalism within sociology” (Scott, 2001, p. 57). It describes common scripts and shared beliefs that constitute social reality and that are taken for granted. All three pillars are related to each other as a product of the symbolic world. The regulative and normative pillars depend on the cultural-cognitive pillar. Rules and norms can only guide interactions in organizations if there is cognitive knowledge about those rules, sanctions, values, and expectations. At the same time, “soft” factors such as the basic understanding of concepts (e.g. communication) and expectations of an organizational function (e.g. corporate communications) are typically not limited to single organizations, but part of shared visions in peer groups. While it is difficult to identify all the influencing factors, sociologists have been able to show remarkable and consistent patterns in the mindsets of top managers (i.e. Pohllmann et al., 2015).

These thoughts help focus the research at hand, which contributes to the body of knowledge by exploring the understandings, experiences, and expectations (cognitive institutions) of CEOs and board members in corporations. The main research question is:
RQ: What are the understandings, experiences, and expectations of top executives towards corporate communications?

This broad question can be broken down into several more specified research questions, which are derived from the presuppositions discussed in this section:

RQ1: How important are public opinion, reputation, and communication performance for corporate success?

RQ2: How do top executives conceptualize and perform communication personally, and how do they collaborate with communication departments?

RQ3: What are the objectives of corporate communications, and how does corporate communication contribute to organizational success?

RQ4: How do top executives rate the importance and performance of key disciplines and instruments in corporate communications?

Empirical studies of communication from the CEO’s perspective

In contrast to the large number of studies analyzing the status quo and future of strategic communication from the communicator’s point of view (e.g. Berger and Meng, 2014; Zerfass et al., 2013), very little is known about the perspectives of top executives. Only a handful of dedicated studies have been published during the past 20 years.

Quantitative surveys were applied by two studies. The Excellence Study identified shared expectations between top executives and communication managers in the United States and United Kingdom as a key enabler of excellent communications (Dozier et al., 1995, p. 10). It also showed that CEOs value public relations because it can provide a “broad perspective both inside and outside of the organization” (Grunig et al., 2002, p. 115), which means that inbound activities contribute to organizational success (RQ3). A recent study by Brønn (2014) reports that 86% of top executives in Norway believe that reputation contributes to organizational success, while 59% confirm that communication and reputation are nowadays considered in strategic decision-making (p. 28) (RQ1). Moreover, leaders “understand that personal communication is very important for their organizations” (p. 16), which emphasizes the communicative role of CEOs themselves (RQ1). When asked about the importance of different communication disciplines, executives ranked marketing/branding and consumer communication first followed by communication skills and internal communication (p. 29) (RQ4).

Another cluster of studies is based on qualitative interviews with a small number of CEOs and top executives. Murray and White (2005) interviewed 14 deliberately chosen CEOs and chairpersons in the United Kingdom. The respondents had a specific understanding of their own role as corporate speakers. They value their own activities as high as, if not higher than, those of communication professionals supporting them (RQ1). The objectives of public relations are developing “profile and positioning” (p. 352) (outbound) as well as taking the “responsibility for the task of ‘holistic listening’ around the various key audiences and stakeholder groups” (p. 355) (inbound) (RQ3). Communication professionals contribute to corporate success through their “role as the communications radar for the organisation, ensuring that decision makers are aware of the views and sensitivities of stakeholders, thus enabling better board-level decision making” (p. 353). However, this was mainly wishful thinking at the time the study was conducted – strategic communication was mainly seen as media relations (RQ4).

Sterne (2008) showed that corporate communications in New Zealand is “in the hands of a range of owners with their own philosophies” (p. 36), which underlines the relevance of top
executives and their understanding for communication excellence. Many public relations practitioners were not considered to be qualified enough to support top management decision-making. Nevertheless, CEOs strongly supported the view that they needed communication to achieve a good reputation. Some even “believed they themselves were the only person who should speak for the organisation” (Sterne, 2008, p. 37). This supports the rising relevance of public opinion and reputation for organizational decision-making as well as the perceived importance of the CEO’s personal communication to corporate success (RQ1).

The Arthur W. Page Society (2007, 2013) has commissioned two subsequent, qualitative surveys among the CEOs of up to 30 large companies in the United States and other undisclosed countries. The first study showed that CEOs see a rising value of reputation for their businesses (Arthur W. Page Society, 2007, p. 42). Public opinion plays a major role for corporate success and top executives as well as supporting communication professionals are in charge (RQ1). Those specialists, especially the heads of communications, are “more valuable than ever” (p. 40) and act as trusted advisers. This includes not only messaging and campaigning abilities, but also the function of a “crystal ball” (p. 44) – inbound activities of monitoring or anticipating stakeholder reactions and public opinion are drivers of corporate success (RQ3). In the follow-up research, top executives claimed that reputation matters even more (Arthur W. Page Society, 2013, p. 6) (RQ1). They report that active listening has become a reality now (p. 10) (RQ3). When talking about the objectives and priorities of strategic communication, many CEOs focus on employees and internal communication (p. 11). Social media channels such as Twitter, Facebook, and blogs are perceived to be relevant for public opinion building (RQ1).

Will et al. (2011) interviewed 11 CEOs in Germany, who stated that corporate communications is a critical success factor for organizational strategy (p. 22). Companies adapt themselves and their decision-making routines to the rules of the media society (p. 31) (RQ1). Therefore, CEOs place high expectations on communication professionals, whom they value as key advisers and business partners (pp. 27-28) (RQ2). Communication professionals have to act as organs as well as a relay to the environment – speaking out and listening are complementary ways to create organizational success (RQ3). Nevertheless, top executives feel that they are personally responsible for communication as well (RQ1). When asked about various platforms for communication, CEOs prefer traditional print media and public speaking (pp. 41-42). This might be an indicator of the continuing importance of media relations in the communications portfolio (RQ4). Shugoll (2012) interviewed 20 top executives in the United States. He reported an increasing demand in communication (pp. 10-13) and the necessity for top executives to communicate at every level and with any stakeholders (pp. 17-18) (RQ1). Effective communications means sending messages as well as receiving them (p. 23) – an insight that shows a traditional understanding of communication as transmission (RQ2), while it also confirms the necessity of combining outbound and inbound activities (RQ3). Many of the CEOs interviewed stated that the communication head should have a seat on the board and that they value him/her as a strategic partner (RQ2). Social media is rated as important, but also estimated as being burdensome. While active use needs careful thought, it is obvious that social media influence corporate reputation as much as mass media (p. 36) (RQ1).

Reputation and communication are also explored in a few global surveys on CEOs’ perceptions and expectations in general. The Fifth Global CEO Study by IBM (2012) in 64 countries revealed that top executives are geared towards motivating employees and gaining customer insights (pp. 17-42). Communication can contribute to this both by outbound activities and by means of inbound listening (RQ3). While face-to-face and traditional media are most
relevant today, social media will take over soon (pp. 34-37). Both mass media and social media are important for reputation, while traditional measures of corporate communications (media relations) are prevailing at the moment (RQ1, RQ4). A similar picture emerged from the 16th Annual Global CEO Survey by PricewaterhouseCoopers (2013) conducted in 68 countries. The most influential stakeholder groups are, from the CEOs’ points of view, customers/clients, competitors, government/regulators, and employees. Fewer than 20% stated that local communities, mass media, users of social media, or nongovernmental organizations (NGOs) have a significant influence on their business strategies (p. 22). On the other hand, customers/clients, employees, and social media users lead the list of those stakeholders with whom CEOs want to strengthen their engagement (p. 24). When translating this result into the realm of corporate communications, it can be assumed that mass media and social media have the same impact on corporate reputation today (RQ1), while motivating employees and consumer information are key disciplines for corporate communications (RQ3, RQ4).

**Research questions and hypotheses**

Insights from the literature review have been used to construct hypotheses for each of the research questions developed above. As the qualitative status of most existing research makes it difficult to define concrete numbers, all hypotheses test either priorities (most important ratings by respondents) or approval by the majority (agreement by more than 50% of respondents). The research questions outlined above can thus be complemented with hypotheses:

- **RQ:** What are the understandings, experiences, and expectations of top executives towards corporate communications?
- **RQ1:** How important are public opinion, reputation, and communication performance for corporate success?
- **H1:** The majority of top executives agree that mass media and social media information influence corporate reputation.
- **H2:** Most top executives agree that impacts on public opinion are more relevant for corporate decision-making today compared with five years ago.
- **H3:** The contribution of top executives’ personal communication performance to corporate success is valued higher than the contribution of professional communication by specialized departments or agencies.
- **RQ2:** How do top executives conceptualize and perform communication personally, and with whom do they collaborate when developing communication strategies?
- **H4:** Most top executives support a traditional understanding of communication, focusing on transmitting information from a sender to a receiver.
- **H5:** Face-to-face conversations with stakeholders are considered to be more important than media and social media skills for top executives.
- **H6:** Communication managers and departments in an organization are the most important partners for top executives in the field of corporate communications.
- **RQ3:** What are the objectives of corporate communications, and how does corporate communications contribute to organizational success?
H7: Motivating employees and building communicative assets (image, reputation, trust) are the two most important objectives of corporate communications for top executives.

H8: The majority of top executives value both outbound activities (speaking to stakeholders, influencing public opinion) and inbound efforts (listening to stakeholders, adjusting corporate behavior) as important for corporate success.

RQ4: How do top executives rate the importance and performance of key disciplines and instruments in corporate communications?

H9: Communicating with customers, suppliers, and dealers (marketing communication) is considered to be the most relevant and best-performing field of corporate communications by top executives.

H10: Top executives believe that media relations is the most relevant and best-performing instrument of corporate communications.

Method and sample

In order to answer these research questions, a quantitative survey among CEOs, managing directors, and executive board members – only at the top level of the organizational hierarchy – of German corporations was conducted. As small-scale qualitative studies were already able to identify patterns in the field (see above), a quantitative approach was appropriate to gain a broader understanding of the situation. The most comprehensive address list of corporate executives in the country, called the Hoppenstedt Manager Database, was used to identify the population. The database provided only postal addresses. Therefore, all top executives were invited by the researchers with a letter including a personal access code to an online questionnaire.

The study was restricted to top managers working in large corporations, joint stock, or private owned, with an annual turnover of at least 50 million €, in 10 core industries: automobile and suppliers, financial industry, energy and primary goods, trade, industrial products, information technology and communication, consumer goods, media, pharmaceuticals, and transport and tourism.

The procedures for preparing, conducting, and evaluating the survey followed established rules of communication research. A questionnaire in German with 25 questions was constructed and pretested with 45 top managers. The questionnaire was organized in several sections, starting with general perceptions about communications, then immersing deeper into the various topics and ending with socio-demographic aspects. Instruments, mainly based on 5-point Likert scales, were both adopted from previous studies and constructed for this research. The data were collected anonymously by using a professional web-based software (EFS Enterprise Suite Survey) from January 24 until February 27, 2013. Only fully completed questionnaires were considered for the analysis. The data set was analyzed by using SPSS 21. Statistical tests were performed where appropriate. Questions and items reported were translated into English by the researchers.

The analysis is based on a sample of n = 602 respondents. All of them are top executives (CEOs, presidents, managing directors, full-time board members, etc.) in large corporations. The annual turnover exceeded 250 million € in 52.8% of the organizations; 38.7% report more than 500 million €. Companies mainly operating in the B2B field (41.5%) outweigh those focusing on B2C markets (17.3%), while 41.2% address both segments. Respondents were, on average, 50
years old (Mdn = 51) and had 20 years of leadership experience (Mdn = 18). 92.2% of the top executives were men and only 6.8% women. A large majority (80.1%) had an academic education and 15.1% hold a doctorate (Dr., Ph.D.). Most respondents with an academic education have a background in business administration, management, or economics (62.0%), followed by engineering, mathematics, or information technology (18.1%), natural sciences or medicine (4.3%), and law (3.3%). Only 2.3% of those who made it to the boardroom studied communications or journalism.

Altogether, 29.7% of respondents stated that the corporate communications function and chief communication officer report directly to them. A smaller group (14.1%) also acts as principals for communication professionals, but in another way: these top executives commission communication departments or agencies out of their functional budgets, namely as board members responsible for human resources or a specific business unit. A total of 41.5% of the top executives interviewed interact with communication professionals from time to time. Finally, 14.6% of respondents stated that they seldom or never interact with communication departments or agencies, which is an interesting result on its own in the information age.

Results
The empirical study showed that CEOs and executive board members value the importance of corporate communications and its contribution to organizational success. They take their own roles as corporate speakers and personal communicators very seriously, whereas the perceptions of the professional communication function and some instruments in use (especially social media) are less encouraging.

Across the whole study, correlation analyses showed that the expectations, experiences, and understandings of top executives are influenced by a number of independent variables. It makes a difference whether respondents work closely together with communicators or not. The size of the company, measured in terms of annual turnover, also matters. Moreover, the main market segment (B2B or B2C), the endurance of respondents’ managerial responsibility, and the amount of time they personally spend on corporate communications influenced some results. On the opposite, socio-demographic variable like age, gender and industry barely had an impact; exceptions are discussed below. This shows that top executives in large corporations have a quite consistent mindset – an insight that is confirmed by sociological studies (Pohlmann et al., 2015).

Public opinion, reputation, and corporate success (RQ1; H1, H2, H3)
Nearly every top executive (96.2%) believes that mass media coverage influences corporate reputation, whereas only seven out of 10 respondents (71.9%) agree that social media has an impact (see Table I). The relatively low assessment of the online sphere is also represented by the fact that 26.7% of top executives fully support the reputational impact of social media, while 66.1% fully agree to the same statement regarding mass media.

H1 was verified. The majority of the top executives (more than 50%) surveyed agree that both mass media and social media information influence corporate reputation. Nevertheless, mass media reporting was rated much higher ($M = 4.60, SD = 0.65$) than social media discussions ($M = 3.82, SD = 1.03$).

INSERT TABLE I
Altogether, 70.4% of respondents agree that public opinion and positive or negative effects that may arise are considered more intensively when making strategic decisions today. One quarter (23.1%) fully supports the statement and only 2.3% do not see such a development at all. The statistical analysis showed that public opinion is significantly more important for decision-making in B2C companies ($M = 3.94, SD = 0.95$) than in B2B companies ($M = 3.66, SD = 1.02$) (chi-square test; $p \leq .001$). Furthermore, there are highly significant differences concerning the importance of public opinion between larger companies with an annual turnover of at least 250 million € ($M = 3.92, SD = 0.91$) and those with a business volume between 50 and 250 million € per year ($M = 3.64, SD = 1.05$) (chi-square test, $p \leq .001$).

H2 was also verified. Most top executives (more than 50%) agree that impacts on public opinion are more relevant for corporate decision-making today compared with five years ago.

Incorporating public opinion in decision-making means that communication has an impact on the achievement of organizational goals. The CEOs and board members in the sample were asked to rate the contribution of professional corporate communications – managed by communication departments or agencies – to corporate success on a five-point scale ranging from very low to very high. Two-thirds of the top executives (64.6%, $M = 3.69, SD = 0.73$) reported a high or very high contribution. Consistent with the result above, top executives from companies with an annual turnover of more than 250 million € shared this opinion to a significantly stronger degree ($M = 3.80, SD = 0.65$) than those from companies with a lower turnover ($M = 3.58, SD = 0.79$) (chi-square test, $p \leq .01$). Thinking of the future, two-thirds (66.5%) of the CEOs and board members predicted a rising relevance of the communication function within the next three years compared with other functions in their company. A bright future for the profession seems to be ahead – but only at first glance. The study also asked, separately and in another part of the questionnaire, how top executives rate the contribution of personal communication performed by top management and leaders to corporate success, based on their experiences. Nearly nine out of 10 respondents (87.2%; $M = 4.15, SD = 0.67$) suggested a high or very high contribution (4 and 5 on a five-point scale). These values are clearly higher than the ratings for communication performed by professional teams.

H3 was confirmed. The empirical study approves insights from previous qualitative research: CEOs and board members value the contribution of personal communication performed by top executives to corporate success higher than the contribution of professional communication by specialized departments or agencies. The cognitive institutions prevalent among the top executives of large organizations are quite consistent in this regard.

*Communication patterns of top executives (RQ2; H4, H5, H6)*

The top executives were asked to assess two statements representing different comprehensions of communication. Nearly two-thirds (65.5%) supported the statement “In communication processes, information is sent directly or via media in order to cause an effect on receivers”. Another third (34.4%) preferred the alternative: “In communication processes, all those involved use signs and symbols that create meaning and social realities”. Only younger CEOs and board members with shorter leadership tenures (up to 9 years) voted differently and ranked both statements almost equally, with a slight preference for the second view (47.1% compared with 52.9%).

H4 was confirmed. The majority of top executives support a traditional understanding of communication, focusing on transmitting information from a sender to a receiver, which is
consistent with the educational background of most respondents in business administration and the predominant conceptualization of communication in this discipline.

When asked about the importance of different capabilities for executives and leaders, almost all respondents (99.0%) rank face-to-face communication skills highest (see Table II). Competencies linked to traditional media and platforms such as giving speeches at events and giving interviews to journalists are valued by more than half of top executives, while a minority of 13.8% state that social media communication skills are important. This supports results from the qualitative studies cited above and rebuts many optimistic views in the communication profession and academia. Interestingly, three out of four (76.4%) claim that the ability to estimate and evaluate the achievements of corporate communication is an important part of a CEO’s or top manager’s qualifications. Being able to read and interpret data derived from applied communication research is an important asset for 50.8% of respondents. This cognitive managerial mindset is comprehensible, as top executives are ultimately in charge. It is absolutely necessary for principals to understand the bigger picture, as this allows them to guide agents in communication departments and agencies who take care of the details.

H5 was thus verified. CEOs and board members consider face-to-face conversations with stakeholders to be more important ($M = 4.74$) for themselves and their peers compared with media skills such as interacting with journalists ($M = 3.63$) and social media competencies ($M = 2.50$).

**INSERT TABLE II**

Top executives see themselves at the center of strategic communication. Nevertheless, they need support from others to master the challenges of a 24/7 information flow and the dynamics of real-time opinion building in global settings. Respondents were asked with whom they exchange views on public opinion building and strategies for corporate communications. Multiple answers were possible. Unexpectedly, communication departments or professionals working in the company are only addressed by 63.5% of CEOs and board members. This is a quite moderate proportion for specialized agents who are – or should be – designated to support their principals in general management. The most relevant advisors and partners for top executives are peers on the board or in functional divisions of the company (86.7%). Following third are business partners in other companies (49.8%), which are more important than industry associations (38.4%) and external communication advisers or agencies (28.7%) and a number of other choices. The statistical analysis proved a very significant difference (chi-square test, $p \leq .001$) between top executives with the communication head as direct report and those who their use own budgets to commission communication departments compared with respondents who collaborate with professionals on projects seldom or never. For example, 73.0% of the respondents responsible for the corporate communications function collaborate with the department in the situations at hand, and 36.3% out of this subgroup talk to external communication advisers.

Nevertheless, H6 was rejected. Obviously, the expectations of top executives do not reflect the self-perception of many communication professionals, who see themselves as the sole and most important counselors for management. This idea is – until now – not a widespread part of cognitive institutions in modern corporations.

*Objectives of corporate communications and leverages of success (RQ3; H7, H8)*
The third research question investigated the goals that can be achieved by corporate communications from two perspectives. First, top executives were asked to rate the importance of a number of typical communication objectives. The list was derived from a longitudinal survey of communication professionals (Bentele et al., 2012). Furthermore, it was tested whether outbound and inbound goals, which were identified as differing but complementary ways in which to foster organizational success, were acknowledged by respondents.

**INSERT TABLE III**

Informing and motivating employees received the strongest support ($M = 4.53, SD = 0.61$) on a five-point scale followed by fostering corporate trust ($M = 4.48, SD = 0.60$) and supporting a positive image ($M = 4.48, SD = 0.61$) (see Table III). Most respondents (more than 95%) stated that these three aspects are important. The objectives that focus on listening, namely creating opportunities for dialogues with stakeholder groups ($M = 3.48, SD = 0.83$) and capturing trends and issues in society ($M = 3.46, SD = 0.91$), were rated as less important. The same was true for the goals related to journalists and the mass media. CEOs and board members think that gaining trust from journalists ($M = 3.48, SD = 0.61$) is more important than influencing them ($M = 2.95, SD = 0.97$).

H7 was verified by the data. Motivating employees and building communicative assets are the two most important objectives of corporate communications for top executives.

The literature review unveiled a common motive: communication contributes to corporate success by messaging, by supporting operational activities, by building up reputation, brands, and cultures (outbound activities), and by monitoring public opinion, identifying issues, and outside perspectives, which can help adjust strategies and secure room for maneuver (inbound activities). The survey tested whether the cognitive mindsets of CEOs and board members reflect this duality, or whether one of both perspectives is prevalent. Overall, the first assumption was confirmed. All four leverages are rated as important by a clear majority (see Table IV). However, the traditional understanding of communication as transmission is dominant. Conveying information to stakeholders and building communicative assets such as reputation and brands is important for nine out of 10 top executives. Inbound means are valued as less important for corporate success. In total, 81.2% of CEOs and board members state that communication supports success by managing relationships and gaining legitimacy, while 71.1% see a value in listening activities that help adjust to corporate strategies.

H8 was verified. The majority of top executives – more than 50% – value both outbound activities and inbound efforts as important for corporate success.

**INSERT TABLE IV**

*Disciplines and instruments of corporate communications (RQ4; H9, H10)*

Respondents were asked to rate the relevance of the key disciplines and instruments of corporate communications for their company. In another part of the questionnaire, they were asked to value the performance of their companies and respective communication departments or agencies in the same fields. Thus, the perceived significance of disciplines and instruments as well as the gap between the relevance and performance for each item could be evaluated.

Internal communication with employees and leaders is considered to be the most important discipline of corporate communications (rated as relevant by 95.5%), followed by
marketing and customer communication (90.4%) and financial communication (60.6%) (see Table V). All those disciplines address primary stakeholders at the core of the business cycle; they are needed to finance, produce, and sell products or services. In contrast to many discussions among professional communicators and those in public relations research, communication with stakeholders in the political realm (34.2%) and society (27.7%) is valued as less relevant. However, both disciplines are evaluated more positively by top executives representing companies with an annual turnover of more than 250 million € ($M = 3.16 / 3.00, SD = 1.01 / 0.94$) compared with companies with a lower turnover ($M = 2.86 / 2.77, SD = 1.08 / 0.95$) (highly significant correlation, chi-square test, $p \leq .001$).

Interestingly, top executives are less satisfied with the effectiveness of communication in the most important field, internal communication ($M = 3.60, SD = 0.82$). The study shows a gap of almost one scale point (0.94) between relevance and performance. The best-performing disciplines, according to CEOs and board members, are marketing communication ($M = 3.72, SD = 0.74$) and financial communication ($M = 3.64, SD = 1.07$). Only one-quarter of respondents (25.7%) state that the specialists in charge deliver a high performance when communicating with society.

H9 was thus rejected. Communicating with customers, suppliers, and dealers (marketing communication) is considered to be the best-performing discipline by top executives. However, it is no longer considered to be the most relevant field of corporate communications. Internal communications has entered the pole position in the boardroom.

**INSERT TABLE V**

A traditional picture emerged when the CEOs and board members in the study were asked to assess the relevance of various communication instruments or platforms as well as the corresponding performance of their communication departments or agencies (see Table VI). Almost three out of four believe that press and media relations (73.9%) are relevant for their companies, with advertising and sales promotion (61.8%) and live communications such as events and trade fairs following (60.2%). Less than half of respondents rate corporate media (47.7%) and online communication including the social web (46.7%) as relevant for their organizations. The list of precedence is the same as that for the question about the performance of communication departments and agencies when using those instruments. However, there is always a gap between the mean relevance and mean performance, which means that communication professionals do not match the expectations of their principals regarding quality and effectiveness.

Large companies with an annual turnover of more than 250 million € rate the relevance of media relations higher ($M = 4.10, SD = 0.79$) than companies with a lower business volume ($M = 3.71, SD = 1.02$) (highly significant correlation, chi-square test, $p \leq .001$). This can be explained by the stronger public exposure for larger companies due to news factors such as prominence (Kepplinger, 2008).

H10 was thus confirmed. Top executives believe that media relations is the most relevant and best-performing instrument for corporate communications. Social media, web applications, and other means of online communication are rated lowest.

**INSERT TABLE VI**
Discussion
This empirical study confirmed most insights from previous qualitative research in various regions of the world. There are shared understandings, expectations, and experiences of top executives, which can be conceptualized as cognitive institutions in business. The cognitive patterns of principals cause opportunities and constraints for agents such as communication professionals, departments, and agencies (XXX, 2014). Overlapping perceptions might facilitate the influence and quality of corporate communications. Rivaling perceptions can be a cause of misunderstandings and poor performance.

At first sight, the results give a positive outlook for strategic communication as an integral part of corporate management. Top executives have a clear understanding of mediatization as a threat and opportunity for organizations. They see how mass media and social media influence public opinion and corporate reputation. Consequently, CEOs and board members highly value corporate communications and its contribution to overall goals and predict an increasing importance of corporate communications in the near future.

However, this is not reflected in top executives’ mindsets of communication in general. This mindset is traditional and not shaped by ideas such as dialogue, stakeholder integration, or interactivity. On the contrary, most CEOs and executive board members view communication as a transmission of ‘objective’ meaning. They think that their own communication performance is more relevant than professional communication by specialized departments or agencies. This is a well-known problem: many believe in being able to judge and perform communication, as this is a basic human competence. A reflection on the differences between communication at the individual level (micro), in organizational settings (meso), and in societies or large-scale networks of institutional actors (macro) is often missing. More specifically, an analysis of the results across the different research questions unveils four key elements of the prevalent top executive mindset:

First, CEOs and board member focus on primary stakeholders (customers, employees) instead of secondary stakeholders (politicians, activists). This is apparent in the valuation of communication disciplines, where activities aimed at employees, customers, resellers, suppliers, and investors are clearly rated higher than communicating with governments, authorities, political parties, NGOs, and critical stakeholders. Likewise, informing and motivating employees is a much more important objective of corporate communications than goals linked to society at large, including journalists as gatekeepers and relays. Similar preferences are visible in the answers on communication skills for top executives. Concepts such as corporate social responsibility (Ihlen et al., 2011) and stakeholder governance (Muzi Falconi et al., 2014) promoted by communication researchers and practitioners are less prevalent in the mindsets of CEOs until now.

Second, top executives are still geared towards traditional mass media and less convinced of social media. Social media is clearly identified as a trend in the public sphere. Nevertheless, CEOs and board executives believe that mass media coverage has a much stronger impact on corporate reputation. They rarely value professional online communication. It is the least important and least effective corporate communications instrument from the executives’ view. In addition, communicating on social media is the least important field of communication skills for top executives. Again, this might reflect the dynamics of Internet development and the caution described in some qualitative studies of CEOs discussed before. However, it also shows that the online-savvy boardroom is a myth in most corporations.
Third, top executives rate speaking as more important than listening in corporate communications. Most respondents understand that communication helps reach organizational goals by facilitating business processes, by building immaterial assets (outbound), and by securing room for maneuver and adjusting corporate strategies (inbound). The first, more traditional goal receives more support. Moreover, the objectives of corporate communications aimed at informing others as well as building image and trust are valued more importantly than listening activities, such as exploring trends and developments in society and fostering dialogue with stakeholders. On a personal level, only every second CEO and top executive interviewed (50.8%) believes that analyzing the results of opinion and media research is an important skill.

Fourth, communication professionals are not always first choice when CEOs and executive board members reflect on public opinion and strategic communication. Peers at the top hierarchical level of the company as well as leaders of functional divisions are mentioned most often as counterparts and sounding boards in the survey. Further, opportunities to be asked and to advise rise with a direct reporting line. This shows that structural arrangements (regulative institutions), which have long been discussed, are still relevant, but they are not the only way in which to gain influence and power.

In spite of the many future-oriented conceptions in academia and in the professional world, a traditional view of corporate communications is institutionalized in the business world – even in large corporations with dedicated and professional communication departments. Studies of the institutionalization of strategic communication based on interviews with communicators have produced similar results: an overall strategic orientation is evolving, but outbound is still prevailing over inbound, and media relations holds the pole position (Verhoeven et al., 2011; Moreno et al., 2009).

There is clearly a need for stronger alignment between principles and agents in corporate communications. Understanding each other’s mindsets and cognitive institutions prevalent in the boardroom and in the communication department is a first step (Zerfass et al., 2014). A set of organizational values, beliefs, and procedures (normative, cognitive, and regulative institutions) is needed. These are needed to link communication to business strategies, set measurable targets, and evaluate communication activities in order to gain advantages.

**Limitations and further research**

The research reported here has, like any study, several limitations. While the survey was able to identify the average perceptions and experiences of CEOs and executive board members, it does not make any statements about the situation in specific companies. Standard deviations indicate that different pictures might emerge in some organizations, which is important to know when interpreting the results. Nevertheless, this study provides an insight into the overarching cognitive institutions, some of which are influenced by independent variables at the level of organizations (size, market focus) or individuals (leadership tenure). The empirical findings are restricted to the sample conducted in Germany. This is the largest European country and fourth-largest economy in the world with a highly developed system of corporate communications. Results might differ in other regions. The analysis confirmed some differences between B2B and B2C companies, but did not allow for a detailed analysis of industry factors, and the overall results do not claim to be representative.

The insights can be used as a starting point for further research on the views of top executives and on the institutionalization of corporate communications in a broader sense. Additional methods such as focus groups with top executives and action research might be
applied. It would be interesting to compare communicative mindsets of CEOs and board members in various countries and cultures – either within the same global company or across different industries.

CEOs, presidents, managing directors, and other executives are the most important stakeholders for communicators. They have to be part of the ongoing journey towards a comprehensive and strategic view of corporate communications.

Acknowledgements
This research was supported through a grant given by the Academic Society for Corporate Management & Communication, an initiative of more than 30 global companies and brands supporting academic research and knowledge transfer in strategic communication in Germany. A previous version of the paper has been presented at the IPRRC 2014 conference in Miami, Florida, USA and received a best paper award. As such, it has been included in the online proceedings of the conference.

References


EACD European Association of Communication Directors (2013), *The Chief Communication Officer and the C-Suite*, EACD, Russel Reynolds, University of Amsterdam, Brussels,


**Further reading**


**About the authors**

Ansgar Zerfass is a Professor of Communication Management at the University of Leipzig, Germany, and a Professor in Communication and Leadership at the BI Norwegian Business School, Oslo, Norway. He serves the research community as the President of the European Public Relations Education and Research Association, Brussels, and Editor of the International Journal of Strategic Communication, Routledge Publishers, USA. Professor Ansgar Zerfass is the corresponding author and can be contacted at: zerfass@uni-leipzig.de or ansgarzerfass@bi.no

Muschda Sherzada, MA, is working as an Anchor for a national broadcast programme on German television (ARD/SWR), and as a Corporate Communications Manager at the Collins, an e-commerce start-up of the Otto Group, in Hamburg, Germany. Prior to these assignments she worked for several communication consultancies, at MTV Networks Germany and as an Assistant Researcher at the Institute of Communication and Media Studies, University of Leipzig.
**Table I.**
Relevance of public opinion for reputation and corporate decision-making.

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass media coverage (TV, radio, print) influences corporate reputation</td>
<td>96.2</td>
<td>4.60</td>
<td>0.65</td>
</tr>
<tr>
<td>Discussions on social media (Facebook, Twitter, etc.) influence corporate reputation</td>
<td>71.9</td>
<td>3.82</td>
<td>1.03</td>
</tr>
<tr>
<td>Impact on public opinion is kept in mind more strongly in corporate decision-making, compared with five years ago</td>
<td>70.4</td>
<td>3.79</td>
<td>0.99</td>
</tr>
</tbody>
</table>

n = 602 CEOs and board members.
Percentages: respondents supporting the statement positively or totally (4 or 5 on a five-point scale).
Means: approval for the statement on a five-point scale, ranging from “do not support at all” to “support totally”.

**Table II.**
Important communication skills for top executives.

<table>
<thead>
<tr>
<th>Skill</th>
<th>%</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talking with employees, customers, suppliers, politicians, etc.</td>
<td>99.0</td>
<td>4.74</td>
<td>0.48</td>
</tr>
<tr>
<td>Estimating the success of communication activities</td>
<td>76.4</td>
<td>3.91</td>
<td>0.76</td>
</tr>
<tr>
<td>Giving public speeches</td>
<td>76.9</td>
<td>3.89</td>
<td>0.77</td>
</tr>
<tr>
<td>Giving interviews and talking to journalists</td>
<td>62.0</td>
<td>3.63</td>
<td>0.87</td>
</tr>
<tr>
<td>Analyzing the results of opinion and media research</td>
<td>50.8</td>
<td>3.42</td>
<td>0.90</td>
</tr>
<tr>
<td>Writing texts for brochures, letters, etc.</td>
<td>28.1</td>
<td>2.88</td>
<td>1.01</td>
</tr>
<tr>
<td>Communicating on social media (Facebook, Twitter, Xing, etc.)</td>
<td>13.8</td>
<td>2.50</td>
<td>0.91</td>
</tr>
</tbody>
</table>

n = 602 CEOs and board members.
Percentages: respondents rating the item as important or very important (4 or 5 on a five-point scale).
Means: importance on a five-point scale, ranging from “not important at all” to “very important”.
Table III.
Objectives of corporate communications.

<table>
<thead>
<tr>
<th>Objective</th>
<th>%</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informing and motivating employees</td>
<td>95.0</td>
<td>4.53</td>
<td>0.61</td>
</tr>
<tr>
<td>Conveying corporate trust</td>
<td>96.1</td>
<td>4.48</td>
<td>0.60</td>
</tr>
<tr>
<td>Building and preserving a positive image</td>
<td>95.5</td>
<td>4.46</td>
<td>0.61</td>
</tr>
<tr>
<td>Informing objectively</td>
<td>84.2</td>
<td>4.13</td>
<td>0.73</td>
</tr>
<tr>
<td>Creating transparency about corporate policies and strategies</td>
<td>72.8</td>
<td>3.87</td>
<td>0.82</td>
</tr>
<tr>
<td>Keep the company out of negative headlines</td>
<td>70.4</td>
<td>3.86</td>
<td>0.96</td>
</tr>
<tr>
<td>Standardizing corporate design</td>
<td>69.7</td>
<td>3.83</td>
<td>0.86</td>
</tr>
<tr>
<td>Gaining trust from journalists</td>
<td>56.2</td>
<td>3.50</td>
<td>0.95</td>
</tr>
<tr>
<td>Fostering dialogues with stakeholder groups</td>
<td>51.5</td>
<td>3.48</td>
<td>0.83</td>
</tr>
<tr>
<td>Exploring trends and developments in society</td>
<td>51.5</td>
<td>3.46</td>
<td>0.91</td>
</tr>
<tr>
<td>Influencing journalists</td>
<td>29.9</td>
<td>2.95</td>
<td>0.97</td>
</tr>
</tbody>
</table>

n = 602 CEOs and board members.
Percentages: respondents rating the item as important or very important (4 or 5 on a five-point scale).
Means: importance on a five-point scale, ranging from “not important at all” to “very important”.

Table IV.
Contribution of corporate communications to organizational success.

<table>
<thead>
<tr>
<th>Contribution</th>
<th>%</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitate business processes (motivate employees, inform customers and suppliers, generate public attention)</td>
<td>94.2</td>
<td>4.37</td>
<td>0.62</td>
</tr>
<tr>
<td>Build immaterial assets (corporate culture, brands, reputation)</td>
<td>90.8</td>
<td>4.34</td>
<td>0.68</td>
</tr>
<tr>
<td>Adjust organizational strategies (identify opportunities, integrate public concerns)</td>
<td>71.1</td>
<td>3.83</td>
<td>0.80</td>
</tr>
<tr>
<td>Secure room for maneuver (manage relationships, manage crises)</td>
<td>81.2</td>
<td>4.02</td>
<td>0.72</td>
</tr>
</tbody>
</table>

n = 602 CEOs and board members.
Percentages: respondents rating the item as important or very important (4 or 5 on a five-point scale).
Means: importance on a five-point scale, ranging from “not important at all” to “very important”.
Table V.
Relevance and performance of key communication disciplines.

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Relevance</th>
<th>Performance</th>
<th>Divergence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Internal communication (with employees, managers)</td>
<td>95.7</td>
<td>4.54</td>
<td>0.61</td>
</tr>
<tr>
<td>Marketing communication (with customers, resellers, suppliers, etc.)</td>
<td>90.4</td>
<td>4.35</td>
<td>0.77</td>
</tr>
<tr>
<td>Financial communication (with investors, banks, owners)</td>
<td>60.6</td>
<td>3.63</td>
<td>1.04</td>
</tr>
<tr>
<td>Political communication (with the government, authorities, parties)</td>
<td>34.2</td>
<td>3.02</td>
<td>1.05</td>
</tr>
<tr>
<td>Communication with society (NGOs, critics, local communities, universities, associations, etc.)</td>
<td>27.7</td>
<td>2.89</td>
<td>0.95</td>
</tr>
</tbody>
</table>

n = 602 CEOs and board members.
Percentages: respondents rating the relevance as important or very important (4 or 5 on a five-point scale); respondents rating the performance as high or very high (4 or 5 on a five-point scale).
Means: relevance on a five-point scale, ranging from “not important at all” to “very important”; performance on a five-point scale, ranging from “very low” to “very high”.

Table VI.
Instruments and platforms of corporate communications.

<table>
<thead>
<tr>
<th>Instrument/Platform</th>
<th>Relevance</th>
<th>Performance</th>
<th>Divergence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Press and media relations</td>
<td>73.9</td>
<td>3.92</td>
<td>0.93</td>
</tr>
<tr>
<td>Advertising, sales promotion</td>
<td>61.8</td>
<td>3.64</td>
<td>0.98</td>
</tr>
<tr>
<td>Live communication (events, trade fairs)</td>
<td>60.2</td>
<td>3.59</td>
<td>1.02</td>
</tr>
<tr>
<td>Corporate media (customer and employee magazines)</td>
<td>47.7</td>
<td>3.32</td>
<td>1.04</td>
</tr>
<tr>
<td>Online communication (internet, social media)</td>
<td>46.7</td>
<td>3.28</td>
<td>1.02</td>
</tr>
</tbody>
</table>

n = 602 CEOs and board members.
Percentages: respondents rating the relevance as important or very important (4 or 5 on a five-point scale); rating the performance high or very high (4 or 5 on a five-point scale).
Means: relevance on a five-point scale, ranging from “not important at all” to “very important”; performance on a five-point scale, ranging from “very low” to “very high”.