The Chief Communications Officer:

Survey and findings among the Fortune 500

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Korn Ferry’s Global Corporate Affairs Practice invited the senior-most communications executives at US companies in the Fortune 500 to take our 37-question survey online. Responses were collected in late 2014 and analyzed in early 2015.

Executives surveyed represent diverse industries, including industrial/manufacturing, consumer/retail, banking/insurance, energy/utilities, health care/pharmaceuticals, technology/telecommunications, aerospace/defense, media/entertainment, agriculture/food processing, engineering/construction, and leisure/hospitality.

Survey questions about changes to the chief communications officers’ roles and leadership competencies shed light on such issues as their reporting relationships; leadership characteristics that have become more important to this function; critical challenges facing CCOs today; and areas receiving more attention in the function. Feedback on annual compensation and bonuses/long-term incentives also was gathered.

This is the fourth such survey by the Korn Ferry Global Corporate Affairs Practice; prior reports were published in 2012, 2010, and 2008. Where appropriate, responses from the latest survey were compared with the earlier benchmarks.

Note: Due to rounding of survey results, some percentages may not total 100%.
Executive summary.

The CCO, as with other C-Suite roles, is expected to contribute in shaping enterprise strategy.

In today’s frenetic and intensely competitive global market, in which business transformations and communication strategies must be closely linked, CCOs in the United States are taking on more prominent leadership roles within their organizations. Having a strategic mind-set—defined as “anticipating and seeing ahead to future possibilities and translating them into breakthrough strategies”—was highlighted as the most important leadership characteristic for CCOs by the majority of respondents (67%) in the Korn Ferry 2014-15 survey of Fortune 500 CCOs.

Nearly half (49%) of CCOs from Fortune 500 companies surveyed identified courage—defined as “stepping up to address difficult issues, saying what needs to be said”—as a highly important leadership trait. The twinned traits of being a strategic leader and a courageous truth-teller illustrate the growing influence wielded by CCOs within the C-suite inner circle. This year’s survey responses underscore Korn Ferry’s findings about a small and distinctive subset of corporate communications—elite corporate affairs executives: These best-in-class corporate affairs officers shoulder a broadening scope of responsibilities and an increasing mandate to act as high-level strategic advisors to CEOs, and they frequently serve as members of the senior leadership team.1

The more adept Fortune 500 CCOs become in strategic roles—even to the point of becoming elite corporate affairs strategist-advisors—the more they will be recognized not only for their expertise in developing integrated and aligned communications strategies but also for their ability to help develop organizational strategies involving a wide variety of constituents and stakeholders.

Increasingly, Fortune 500 CCOs take greater responsibility for the organization’s brand and reputation, reflecting some of the biggest concerns of best-in-class corporate affairs executives. In this latest survey, the vast majority of respondents (83%) identified reputational threats/risks as the most critical challenge they face today. As surveyed executives observed:

▶ “The highest priority for my function is that we build brand and protect reputation. The balance of managing brand and reputation as the indivisible assets is essential for my role. This has also led to the integration of our marketing and corporate communications functions, under my leadership.”

▶ “The highest priorities of the CEO for the communications function are to provide leadership in the positioning of the company with all audiences—including investors (and activist investors), customers, and employees. This speaks to brand—but also to ensuring that our messages resonate with the audiences and that we are ‘taking new ground’ in our efforts to shift perception.”

▶ “Creating consistent messaging across all stakeholders that clearly communicates the company’s progress … our vision for the future, and the roadmap on how we intend to get there. Corporate reputation management is more important than ever.”
Corporate communications executives in the United States today wear many hats, with broader responsibility for monitoring and managing messaging through a variety of channels and with numerous stakeholders/constituents. In this year’s survey, respondents reported that their responsibilities included:

- Media relations, executive communications, issues/crisis management, internal communications, and corporate reputation, plus handling corporate communications, with each of these areas cited by a minimum of 90% of respondents.

- Corporate social responsibility, community relations, and corporate philanthropy, with each of these areas cited by a minimum of about 50% of respondents. New and expanded roles of social media (39% of respondents), corporate social responsibility/corporate philanthropy (35%), and reputation management (32%) were added to their CCO mandate in the last 24 months.

- Survey respondents also reported a need in their organizations for greater integration of communications with other functions, particularly around creating and executing strategy. As one respondent explained, “Communicators at various levels are expected to move seamlessly between creation of strategy, management of critical issues, and execution of communication plans.... It’s a unique combination of skills and interests that enables team members to feel comfortable—and excited about—wearing the many different hats that today’s communicators wear.”
The survey results show that Fortune 500 CCOs are taking broader leadership roles in their organizations. Beyond the traditional communications function, the CCO as a leader must:

- Provide leadership on reputation, values and culture across the enterprise.
- Design systems, such as those that support an enterprise-wide social media strategy.
- Define and activate corporate character.
- Develop and publish content for external stakeholders.
- Analyze data to understand how stakeholders view the enterprise.

As more CCOs gain broader experiences and develop deeper financial and business acumen along with strategic capabilities, they will be better prepared to assume even greater leadership responsibilities.
The CCO profile.

The majority of the 2014-15 survey respondents were male, although the differential between the genders narrowed (53% male in 2014 versus 56% in 2012). The vast majority of respondents (95.5%) identified themselves as white or Caucasian, while 2.3% were Hispanic, 1.1% were African-American, and 1.1% declined to respond.

**Education**

Each respondent has a minimum of a bachelor’s degree; an additional 25% hold master’s degrees and 15% have MBAs.

### Which of the following degrees do you hold?

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<thead>
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<th>Degree</th>
<th>Percentage</th>
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<tr>
<td>Bachelor’s</td>
<td>76.4%</td>
</tr>
<tr>
<td>Master’s</td>
<td>24.7%</td>
</tr>
<tr>
<td>PhD</td>
<td>2.3%</td>
</tr>
<tr>
<td>MBA</td>
<td>14.6%</td>
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<tr>
<td>JD</td>
<td>5.6%</td>
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### Age range.

The ages reported in the 2014-15 survey spanned more than 30 years, consistent with 2012. The largest age bracket was 46 to 55 (those born between 1960 and 1969), accounting for 60% of those surveyed. The two largest segments in that age bracket were 46 to 50 (31%) and 51 to 55 (22%).

### In what year were you born?

<table>
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<tbody>
<tr>
<td>Before 1950</td>
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<td>1950-1959</td>
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<td>1960-1969</td>
<td>60%</td>
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<tr>
<td>1970-1979</td>
<td>14%</td>
</tr>
<tr>
<td>After 1980</td>
<td>1%</td>
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Career experience.

CCOs today are seasoned executives who bring to their current positions the experiences gained working with several other organizations. The vast majority of respondents (72%) have worked for three to six companies over their careers to date. Within this broader range, the largest segment (27%) was those who have worked for five employers.

Tenure in current role and company.

Consistent with 2012 survey data, which showed significant turnover in CCO positions, the majority (65%) of respondents have been in their current positions for four years or less, with 48% in their roles for two to four years and 17% occupying their roles for one year or less. Most respondents (65%) said they plan to stay in communications for the rest of their careers.
Significantly, 29% of survey respondents were indecisive about their future career plans, which may indicate that CCOs see potential to leverage their expertise into other strategic roles.

Job title.

The title of CCO was held by 22% of respondents to the 2014-15 survey, an increase from 18% of those surveyed in 2012. Consistent with the previous period, the title of vice president was the most common (44% in 2014 versus nearly 50% in 2012), with 19% being senior vice presidents. Director-level positions were occupied by 8% of respondents in 2014, compared to only 2% in 2012.
Reporting structure.

Top communications executives most commonly reported directly to the CEO (37%), although the percentage was down from two years ago (43%). This is consistent with European CCOs, who also report most frequently to the top of their organizations. In the 2014-15 US survey, 12% of respondents reported to the chief marketing officer, roughly equal to the year-ago period. Showing the most growth were “other” reporting relationships at 22% of the total, compared to 6% in 2012. Among the most common reporting relationships listed as “other” were with the heads of corporate affairs, chief administration officer, and the CFO.
Department structure and staff.

The size of communication departments remained consistent in 2014-15 compared with the 2012 survey period, with most respondents (27%) reporting 10 to 24 people on their staffs. Nearly all (97%) use external agencies for the execution of programming, strategic counsel, and/or a combination of needs.
Succession plan.
The importance of the CCO position is underscored by the majority of companies reporting (nearly 67%) that they already have succession plans in place or are implementing them. Nearly half of CCOs surveyed (46%) are corporate officers.
Scope of responsibility.

In addition to corporate communications (100% of respondents), there was a significant increase in responsibility for social media strategy (79% in 2014 versus 67% in 2012). Also showing incremental increases in oversight were corporate reputation (89% in 2014 versus 87% in 2012) and corporate strategy (11% in 2014 versus 10% in 2012).
Changes to the CCO role.

As the CCO role in the United States continues to expand beyond traditional communication responsibilities, greater demands are placed on executives in these positions to provide leadership; to contribute expertise and leverage relationships to help the C-suite in problem-solving; and to design and implement multichannel communication plans that support their organizations’ transformation and/or growth strategies. As one respondent described the greater demands on the CCO role, “Anticipate risks and opportunities and get ahead of them. Build key relationships before those relationships are critically necessary. Deliver excellent communications that actually serve the needs of the business.”

Which of the following are receiving more attention and effort from you as CCO and your function? (check all that apply)
In the 2014-15 survey, nearly all respondents (more than 91%) identified “providing leadership on reputation, values, and culture across the enterprise” as receiving more attention and effort today. This overarching responsibility requires CCOs to build relationships across a greater number of constituents, internally and externally, to ensure engagement and dialog—not just one-way communications from the enterprise. They understand that what is communicated, how it is communicated, and the timing and context can make an indelible impact on corporate reputation and branding.

The CCO’s growing mandate around the organization’s reputation, values, and culture highlights the two-edged sword of digital communication. Here, CCOs face the challenges of dealing with social media, bloggers, and online channels established by traditional media (whose content is updated 24/7) in which speed is foremost and accuracy may be secondary. At the same time, CCOs and their staffs must become more adept at using social media to monitor, manage, and enhance brand and reputation and increasingly to develop and distribute their own content to feed new media. To this end, 2014-15 survey respondents reported that new skills growing in importance as new staff is hired include digital/social media (75%) and content creation/storytelling (71%).
A wide spread of base salaries and total compensation packages was reported in the 2014-15 survey, as in the 2012 findings, once again indicating variation in how companies approach the top communication job. Base salaries ranged from $100,000-$149,999 to $650,000-$674,999. The most commonly reported base salaries ranged between $275,000 and $450,000 (43%); within that bracket, most responses were between $300,000 and $324,999 (16%). Within the second most common bracket of $100,000 to $275,000, most responses fell between $250,000 and $274,999 (11%) and between $200,000 and $224,999 (10%).

CCOs paid at the top of the range reflect the emergence of communications executives who occupy leadership roles with broader responsibilities across multiple functions. There is even a higher level (not included in this survey): the elite corporate affairs executives, as described in an aforementioned 2015 Korn Ferry study, with multimillion-dollar annual compensation packages. In general, those at the higher end of the compensation spectrum go beyond the traditional corporate communications duties and functions, with the broadest responsibilities across corporate communications, government relations, community relations, employee relations, marketing, brand/reputation, investor relations, and more.
Similarly, there was a wide range in cash bonuses received in 2014, from less than $100,000 to more than $1 million. Nearly half of survey respondents (48%) reported receiving cash bonuses ranging from less than $100,000 to $250,000. Within these broader percentages, the most common responses were less than $100,000 (20%) and $100,000 to $124,999 (18%).

Nearly all respondents reported receiving annual equity (97%). Of those who did receive equity compensation, the vast majority (89%) were given restricted stock units. Other forms of equity compensation were stock options (58%) and performance shares (48%).
Summary

As the insights from this survey reveal, the influence of the CCO continues to grow, and with that, so, too, do the expectations from the C-Suite. The scope of the CCO is broadening and the mandate is to be a business strategist and advisor. Increasingly, leaders of this function are expected to not only have a full command of all the related functional disciplines, but also greater leadership capabilities that will allow them to work across the enterprise in helping to shape strategy, manage reputation, and problem solve. The survey also reveals that leadership attributes such as courage, innovation, managing through ambiguity, developing talent, and contributing to strategy are more important than ever in these increasingly influential roles.

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